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ABSTRACT

This report examines the operational and educational changes that school administrators attribute to charter schools. It is part of the U.S. Department of Education's 4-year study to document and analyze the charter-school movement. The study asked two questions: What changes have districts made in district operations and district education that can be attributed to charter schools? and Under what conditions do charter schools affect change in district operations and district education? To answer these questions, researchers conducted in-depth site visits in 14 school districts and interviewed by telephone administrators in 35 other districts. The results indicate that every district in the study reported being affected by charter schools and, accordingly, had made operational changes. Nearly half of the district leaders believed that their diminished budgets were attributable to charter schools and had begun tracking the number of students who attended these schools. Likewise, almost half of these leaders reported becoming more customer-service oriented, increasing their marketing and public-relations efforts, or heightening their frequency of communication with parents. Most districts also implemented new educational programs, made changes in educational structures in district schools, and/or created new schools with programs that were similar to those in the local charter schools. (Contains 20 references.) (RJM)

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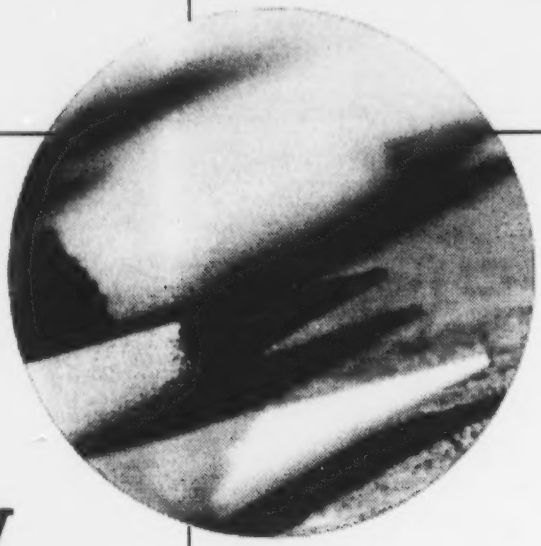

Challenge and Opportunity

The Impact of Charter Schools on School Districts

A REPORT OF THE NATIONAL STUDY OF CHARTER SCHOOLS

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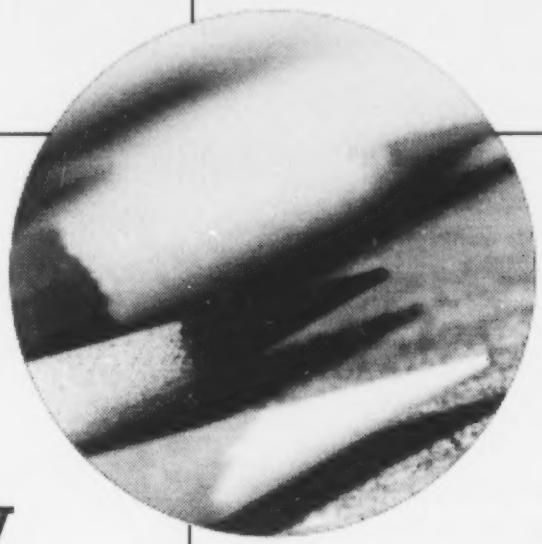

Challenge and Opportunity

The Impact of Charter Schools on School Districts

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Preface

This report is one in a series from the National Study of Charter Schools (the Study). The Study, sponsored by the U.S. Department of Education's Office of Educational Research and Improvement, is a 4-year research effort to document and analyze the charter school movement. Through an annual survey of all charter schools in the country, successive site visits to 91 charter schools in 10 states, a student achievement testing program in a sample of charter schools, and policy work at both the district and state level, the Study has documented the implementation of charter schools and their impact on students. Four annual reports describe the differences in charter legislation, the number and types of charter schools, the demographic characteristics of students attending charter schools, the reasons why charter schools were founded, and the factors that facilitate or hinder the development and implementation of charter schools. In addition, a series of topical reports, *Charter Laws and State Theories of Action; Mapping the Charter Universe: Discovering Alternative Systems of Education; Teacher Intention to Stay and Charter School Sustainability;* and *Are Charter Schools Improving Student Achievement,* focus on states' charter legislation, education systems in charter schools, teachers in charter schools, and the impact of charter schools on student achievement.

This report, *Challenge and Opportunity: The Impact of Charter Schools on School Districts*, explores the operational and educational changes in districts that administrators attribute to charter schools, and the conditions under which districts tend to make particular changes. Through our extensive fieldwork, the Study has a unique understanding of these particular charter schools and the district context and conditions in which they exist. The work reported here builds on our analysis of the states' charter laws and the policy contexts in which they were conceptualized and implemented.

RPP International conducted the National Study of Charter Schools with the support of the Institute for Responsive Education.

Acknowledgments

The authors are grateful to the many people who contributed either directly or indirectly to this report. More than 100 district administrators granted interviews, generously taking time from handling their districts' operations to answer our questions and provide us with the data that serves as the basis for this report. We also appreciate the contributions of newspaper reporters and knowledgeable community members we interviewed, many of whom also sent us copies of relevant newspaper articles or reports they had written. We want to extend a special thanks to the administrators, teachers, students, and parents of the 91 charter schools that allowed us to visit their schools in successive years, provided us with documents about their schools and students, allowed us to observe classrooms, answered our questions and helped us learn about their communities and to learn from their experiences. They have made—and continue to make—significant contributions to our work.

We appreciate the thoughtful and insightful ideas, contributions, and comments of the Study's Advisory Board whose members include: Jose Afonso, Massachusetts Department of Education; William Lowe Boyd, Department of Education Policy Studies at Pennsylvania State University; Rexford Brown, P.S.1 Charter School (Denver, Colorado); Joan Buckley, American Federation of Teachers; Faith Crampton, National Education Association; Gary Hart, Secretary for Education for the State of California; Ted Kolderie, Center for Policy Studies; and Joe Nathan, Center for School Change, Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota.

In addition, a group of staff members from the U.S. Department of Education reviewed the report and provided comments and insights that strengthened the report. We would like to thank Judith A. Holt, Office of Special Education and Rehabilitative Services; Alex Medler, Office of Elementary and Secondary Education, Charter Schools Office; and Meredith Miller, Planning and Evaluation Service. We also appreciate the thoughtful comments and advice from a group of peer reviewers, Robin Lake, Center for Reinventing Public Education at the University of Washington; Bruno Manno, Annie E. Casey Foundation; and Howard Nelson, American Federation of Teachers.

The authors also would like to express our gratitude and appreciation to Judith Anderson, Joseph Conaty, Gregory Henschel, Patricia Lines, and Martin Orland, of the U.S. Department of Education's Office of Educational Research and Improvement for their support and guidance in shaping both the Study and this Report.

While appreciating the contributions of all of the reviewers, the authors accept full responsibility for the content of the Report.

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Executive Summary

The charter school movement is one of the fastest growing education reform efforts in the United States. Charter schools are tuition-free public schools freed from regulation in exchange for greater accountability. Proponents contend that charter schools may not only provide families and students with another educational choice but also promote change in the public education system as a whole, thus benefiting all students. Educational theorists suggest that charter schools will induce systemic change by providing more educational choices, creating competitive market forces, and serving as examples from which other public schools can learn. This report is an exploratory effort to gain a deeper understanding of how some charter schools have affected the public school districts surrounding them. The Study asked two questions:

- *What changes have districts made in district operations and district education that can be attributed to charter schools?*
- *Under what conditions do charter schools affect change in district operations and district education?*

The Study focused its research on 49 districts in 5 states—Arizona, California, Colorado, Massachusetts, and Michigan—where the Study also conducted fieldwork in charter schools. The districts in the Study had charter schools in their areas that reflected a broad variation among key descriptors: grade level of students served, urbanicity, and other factors. The five states from which these districts were drawn were chosen to reflect the variation in state policy contexts.[1] This Study collected data on the impacts of charter schools through in-depth site visits in 14 districts where Study staff members interviewed multiple central office administrators and newspaper reporters. In the remaining 35 districts, staff conducted telephone interviews with a senior district official, usually the superintendent, and a local newspaper reporter or education analyst. This report focuses on changes in each district from the perspective of district leader and staff.

The Study found that every district in our sample reported impacts from charter schools and made changes in district operations, in the district educational system, or in both areas. More specifically:

- Nearly half of district leaders perceived that charter schools had negatively affected their budget and explained this impact by pointing to the reduced revenue from students who had transferred from districts schools to charter schools.

- Among districts in the Study, nearly half of district leaders reported becoming more customer service oriented, increasing their marketing and public relations efforts, or increasing the frequency of their communication with parents. In many districts,

[1] Section II of this report contains a full discussion of how the districts were chosen.

administrators began paying close attention to their local charter schools, typically by tracking the number of students who attended charter schools and monitoring charter school students' test scores.

- Most districts implemented new educational programs, made changes in educational structures in district schools, and/or created new schools with programs that were similar to those in the local charter schools.

In addition to these findings on changes in district operations and services, the Study also identified factors related to state law and local conditions that influenced how charter schools affected districts and how districts responded to charter schools. Two factors seemed to best predict patterns in the data: charter granting agency and enrollment trends.

Charter Granting Agency Effects

In each state, charter legislation determines which agencies can grant charters. In some states, only the local district can grant charters. In other states, both districts and one or more additional agencies also can grant charters. In a third group of states, only one or more state-level bodies can grant charters.

In the 29 districts where both districts and other agencies can grant charters, 3 districts have granted charters while 26 others have not. The 26 districts that were not the charter granting agency were more likely to report greater impacts from charter schools than districts that granted charters. Districts that did not grant charters were more likely to report negative budget impact, increased marketing efforts, greater emphasis on customer service, implementation of new education programs and new specialty schools. Nearly all districts in Arizona and Michigan chose not to grant the charters, although they had the authority to do so.

Districts in California and Colorado have sole charter granting authority. Because all charters in those states were granted by the district, such districts may have been more likely to grant charters that did not cause serious financial problems for themselves. As such, they were more likely to report that charter schools had no impact on their budget, and that charter schools had little or no effect on their central office operations.

The impact on Massachusetts districts was more similar to California and Colorado districts than it was to Michigan or Arizona districts. Although in Massachusetts the district is not a charter granting authority, the impact of charter schools was mitigated by legislation that enabled districts to recover funding lost when students chose charter schools.

Enrollment Effects

Local enrollment trends were also relevant to the impact on districts. Of the 49 districts in the Study, 15 districts were either declining or stable while 34 are increasing. The Study found that every district with declining enrollment also reported that charter schools had a negative impact on their budget. In these districts, administrators reported laying-off staff, downsizing their central offices, closing schools, increasing class sizes, placing a greater emphasis on

customer service, changing staffing arrangements, and adding new educational programs. In the 34 districts with increasing enrollment trends, administrators were more likely to report no fiscal impact and made few changes in district operations or in the educational system.

Combination Effect

Granting agency effects and enrollment combined to exacerbate the impact. Districts with declining enrollment that did not grant the charter were more likely to perceive that charter schools had a negative affect on their budget and view charter schools as competition. These districts responded competitively, making a number of changes in district operations and introducing programs into the educational system designed to compete for students and parents. Yet, the threat posed by charter schools was not the only force motivating districts to change—some districts that viewed charter schools as an opportunity also made changes in district operations or educational services. While most charter granting districts with increasing enrollment viewed charter schools as another choice and made few changes in how they operated, a handful of districts used charter schools as a tool to promote educational reform in their district.

The conclusions from this exploratory examination are that districts do make changes in their educational services and district operations as a result of charter schools, and that these changes are influenced by enrollments, financial conditions, and the nature of the granting agency. The rapidly increasing number of charter schools and the tendency for districts to respond by making operational and educational change suggests that charter schools can impact the public school system.

However, this Study allows only early speculation on the broad-scale impact. For one thing, the size of the Study was limited; some inferences among schools are based on modest differences. Furthermore, the Study included a widely varied group of school districts in five states, but this group of districts does not statistically represent the whole country. Larger studies could reveal more detailed and definitive findings. Furthermore, future research on this issue should assess the degree to which impacts observed in this Study are both long lasting and systemic.

Section I. Introduction

Since 1991, 36 states and the District of Columbia have enacted charter legislation. By the 1999–2000 school year, there were more than 1,600 charter schools in operation. Charter schools—schools that can be created by parents, teachers and/or members of the community—are granted the autonomy to operate outside the bureaucratic rules that govern traditional public schools in exchange for an increased level of accountability for student achievement. State legislation allows charter schools to be created and each state's charter law arises from a unique state context and political process. Therefore, the provisions of each charter law—what institutions can grant charters; the number of charter schools allowed; the autonomy provided the schools and the kind of accountability required of them; and what is limited and what is allowed—in some ways establish the role that charter schools might play in public education.[2] These laws, then, establish a framework that contributes to whether charter schools will have a lasting impact on American education. One promise of charter schools rests on their ability to stimulate change in the public education system.[3]

Although charter schools are a relatively recent phenomenon, a growing body of literature suggests three ways that charter schools might affect the public education system—namely, that charter schools will provide additional choices, especially for those parents and students who traditionally have had the fewest opportunities in the public education system; that charter schools will create a competitive market forcing change in the entire public education system; or that the autonomy afforded charter schools will create more innovative models of schooling, with charter schools serving as laboratories of innovation from which other public schools can learn.[4]

This report explores the impact of charter schools on districts, as a first step in assessing their impact on the public education system.[5] The report is based on interviews and site visits to 49 school districts conducted between October 1998 and May 1999. This work is exploratory in part because with the oldest law enacted in 1991, it is still too early to track what changes, if any, might have long-term impacts on local practices and state policy. A recent National Education Association (NEA) report observes, "There have been some instances where the presence of charter schools has worked to pressure districts to add programs, but the jury is still out in terms of larger systemic change. The studies to date show that the degree to which charters affect systemic change is unclear."[6] Our findings add to a growing body of literature that aims to

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[2] Another of the reports from the National Study of Charter Schools, *Charter laws and state theories of action*, includes a more detailed discussion of the provisions of charter legislation in each state.

[3] Bierlein and Mulholland (1994) conclude that "Perhaps more than most reforms, charter schools force educators to question the wisdom of conventional practices and may create the dynamics that will foster change within the entire school system."

[4] Hill, 1996; Kolderie, 1994; Manno, et al., 1998; Nathan & Power, 1996.

[5] Throughout this report, as appropriate for verb or noun reference, the terms "impact," "affect," and "effect" are used synonymously.

[6] NCREL, 1997, *Charter schools: The challenge to public education*, New Leaders for Tomorrow's Schools. NCREL's fall 1997 journal is devoted to discussing charter schools through a variety of lenses, both charter advocates and critics, and a research-based synthesis of the assumptions and facts, and strengths and weaknesses of charter law and implementation. The quote from NEA is drawn from this source.

understand the evolution of possible systemic changes resulting from the presence of charter schools.

The report also is exploratory because it focuses on districts in which charter schools are located. The proportion of such districts is low compared to all public school districts. Since the Study looks at districts that have some experience with charter schools, the Study cannot tell how the charter phenomenon may or may not be affecting the vast majority of districts that have little direct experience with charter schools. In this sense, the Study focuses on a crucial aspect of public education—the district—but a different methodology would be needed to place this Study's sample of districts into a larger context of how such local change has leveraged state systems to change.

The purpose of this report, then, is to examine the effect of charter schools on districts that have charter schools in them, whether they are the charter granting entity or not.[7] Kolderie (1999) suggests that the test of charter school effectiveness is to evaluate the "ripple effect"—whether districts do in fact change and improve their systems in response to the appearance of charter laws and charter schools. In addition to evaluating whether districts implement change in response to the appearance of charter laws and charter schools, the Study also seeks to understand the conditions that promote or impede certain types of changes. Thus, this exploratory examination of the impact of charter schools on districts asked two questions:

- *What changes have districts made in district operations and district education that are attributable to the presence of charter schools?*
- *Under what conditions do charter schools affect change in district operations and district education?*

The simple answer to the first question is that charter schools *have* affected districts. In fact, based on interviews with knowledgeable district leaders (the Study's methodology is described in section II), the Study found that every district in our Study made changes in district education and/or district operations that they attributed to charter schools. The answer to the second question is more complicated. State and local conditions affect the ways in which charter schools impact districts and how districts respond. The Study found patterns in the kinds of changes made by districts based on state and local conditions and whether district leaders viewed charter schools as an opportunity or a challenge.

[7] As the Report will discuss in section III, some states' charter legislation imparts the role of charter granting solely to the district. In other states, an agency other than the district (such as the State Board of Education) is the only authority that can grant charters. In other states, both the district and other charter granting agencies can grant charters.

These findings suggest a greater level of impact of charter schools on districts compared to previous research.[8] The Study's findings also suggest that district leaders are willing to attribute changes in district operations and district education to charter schools.[9] The findings reported here are from the perspective of the district leaders. Whether all of the changes reported here represent improvements is still unknown, but the findings show that charter schools are influencing districts to make changes in the way they conduct their district operations and the educational programs they provide.

The remainder of this report describes the methodology and findings. Section II provides an overview of the methodology and the districts that were part of the sample. Section III describes the way charter schools have affected the districts in the areas of budget, district operations, and educational offerings. Sections IV and V analyze how and why local and state conditions as well as district leaders' perceptions of challenge and opportunity influence districts to change. Finally, section VI illustrates how districts responded to charter schools through vignettes examining the specific conditions and responses of several districts.

[8] Rofes (1998) studied districts' responses to charter laws and charter schools in 1997 and 1998. Through interviews with district administrators and charter school advocates, he explored the effects of charter schools on 25 districts in 8 states. He examined the types of impacts that charter schools had on districts, the intensity of these impacts, and districts' responses. In the 25 districts he studied, Rofes found that 36 percent had not been affected in any way by charter schools. Although this Report also examines the way charter schools impacted districts, it differs from Rolfes' work in that it makes no attempt to intensity of the district response.

[9] As described in the Methodology, district leaders' perceptions were triangulated to insure reliability. In-depth research in 14 of the 49 cases allowed staff to validate district leader's claims.

Section II. Methodology

This report is one product of the National Study of Charter Schools. Data from the broader Study helped frame the research design and methods for our analysis of the ways charter schools affect school districts. This section provides an overview of the methodology of the broader national study, specifically describes the methodology for this report, and raises important methodological issues that should be considered when interpreting the results of our research.

For 4 years, the National Study of Charter Schools conducted a yearly telephone survey of all operational charter schools. The survey provided broad information about charter schools, including reasons why they were founded and general characteristics of their educational programs, and the students, families, and teachers that choose them. The Study also had a qualitative component in which the research team made multiple visits to 91 charter schools in 10 states over 4 years. This fieldwork included interviews and focus groups with teachers, administrators, parents, students, and wherever possible governing board members, community members, and interest group representatives. The charter schools selected for fieldwork were chosen in a stratified random process from all charter schools operational for at least 1 year at the time of our first fieldwork visit.[10] Though the fieldwork sample is not representative of all charter schools, basic demographic characteristics of the schools in the fieldwork sample are similar to those of the characteristics of all charter schools.[11]

This portion of the Study focused on the impact of charter schools on districts in 5 of the 10 states where the National Study conducted fieldwork—Arizona, California, Colorado, Massachusetts, and Michigan. These states were chosen specifically to reflect the variation in state policy contexts. Within states, districts were chosen to include schools with a range of key characteristics: size of the school, grade levels of the students, urbanicity, and other student characteristics. Of the 91 schools chosen for fieldwork, 64 were located in 51 districts in the 5 states. Exhibit 1 shows the number of districts in this Study in each of the 5 states, the total number of charter schools in those districts, and the total number of charter schools in each state.

Staff gathered information for this report in three ways: First, over the course of the broader National Study, staff visited 64 charter schools in the 5 states on several occasions. The last visits were conducted between October 1998 and May 1999. These field visits provided data from which the Study team could gain an understanding of district context, the charter schools' staff perception of their relationship with the district, as well as the types of issues the charter schools faced in each of the districts. Of the 51 districts, 49 are represented in this report—2 districts declined to participate in the Study. Second, Study staff conducted 2– to 3–day visits in 14 of the 49 districts. During the site visits, staff interviewed between three and five key district

[10] The selection process included random selection of schools within categories of state, grade level, school size, and creation status (i.e., newly created, public school conversion, or private school conversion). The Study staff first visited some of these schools in 1996 and first visited others in 1997.

[11] See *The State of Charter Schools, 2000*, RPP International, U.S. Department of Education, Office of Educational Research and Improvement, for results from the most recent National Study of Charter Schools' annual survey.

administrators (including the superintendent) and community leaders. Staff also read newspaper coverage of charter schools in the local newspapers and interviewed the reporter on the education desk to track the kind of coverage the local press has given charter schools' impact on the district.[12] Study staff used a common interview protocol as well as probes relevant to the district context. Third, in the remaining 35 districts, staff conducted hour-long telephone interviews with at least one district administrator (most often the superintendent) and a newspaper reporter or local educational analyst. The questionnaire developed for the telephone interview was an abbreviated version of the interview protocol used during district site visits. As with in-person interviews, staff probed areas relevant to district context.

Exhibit 1
Number of Districts and Charter Schools in the Study States

State	Number of districts in the study	Number of charter schools in the study's districts[13]	Total number of charter schools in each study state[14]
Arizona	12	126	180
California	16	65	145
Colorado	4	20	60
Massachusetts	8	17	34
Michigan	9	67	132
Total	**49**	**274**	**551**

District interviewees were asked about their perception of charter schools and the effect that charter schools were having on specific district functions and decisions related to enrollment, finances, facilities, personnel, relationships with parents, district services, and educational services. Staff triangulated information from interviewees and written sources to increase reliability. For some effects, district leaders said charter schools were the primary or sole reason that the district made the operational or educational change(s). For other effects, administrators reported that charter schools worked in conjunction with the district's educational agenda and/or state educational policies to promote district change. In the coding and analysis, the Study considered each of these as "effects" or "impacts" of charter schools, but throughout the report, the differences between charter schools as the identified stimulant for change and charter schools as a contributing reason for change are highlighted in the discussion.

It is important to keep in mind several methodological issues when interpreting the results of this report. This research represents the perspectives of district leaders at a particular point in

[12] Newspaper reporters often provided a perspective broader than that of district staff. They were able to fill in information as well as provide historical insights. Although the report is written from the perspective of district leaders, reporters were able to provide insights on how charter schools and districts response to them had been characterized in the media.

[13] The National Study of Charter Schools compiled a database of all operational charter schools in the United States over a 4-year period. These figures were drawn from that database of operational charter schools as of the 1998-1999 school year and were confirmed by district leaders.

[14] These figures were drawn from *The State of Charter Schools, 1999*, RPP International, U.S. Department of Education, Office of Educational Research and Improvement. They reflect the number of charter schools as of September 1998.

time. The Study does not attempt to determine if what changes made by districts represent what is "good" or "bad" from the perspective of the larger educational system. In this report, "district leaders" refers primarily to district superintendents. In a few cases, superintendents were not available to participate in our Study and the survey information comes from another high-level district administrator, such as a deputy superintendent.

The effects that charter schools have on districts vary over time. The impact of charter schools and responses of districts differ depending on whether the charter school just started or has been operating for a number of years.[15] Charter schools in the Study districts had been operating for between 2 ½ years and 5 ½ years. This Study does not explore changes over time; rather it focuses on the perceptions of district leaders at the time of our interviews in the spring of 1999. Therefore, our results reflect a particular cross-section of time and will likely change as new charter schools open and relationships with existing charter schools evolve.

This report is based on the perceptions of district leaders. An analysis of the responses of district leaders revealed the key factors, described in this report, that chiefly influence the nature of charter school impacts on school districts—state conditions and laws, charter-granting authority, and enrollment trends.

In the districts the team visited, it was possible to test the validity of our information by drawing on multiple district and community perspectives as well as collecting documentary evidence. In the districts surveyed by telephone, the team members typically spoke with the superintendent and a newspaper reporter who had covered charter schools. While information was drawn from multiple sources for reliability, this exploratory research is not attempting to determine causality, rather the attempt is to examine changes that district leaders attributed to charter schools. In some cases, district leaders viewed changes attributable to charter schools as highly negative or positive. For example, one superintendent felt that reducing his central office and transferring more responsibility to his school principals was a negative impact of charter schools. The readers of this report may view these changes and others made by districts differently.

[15] Rofes, 1998.

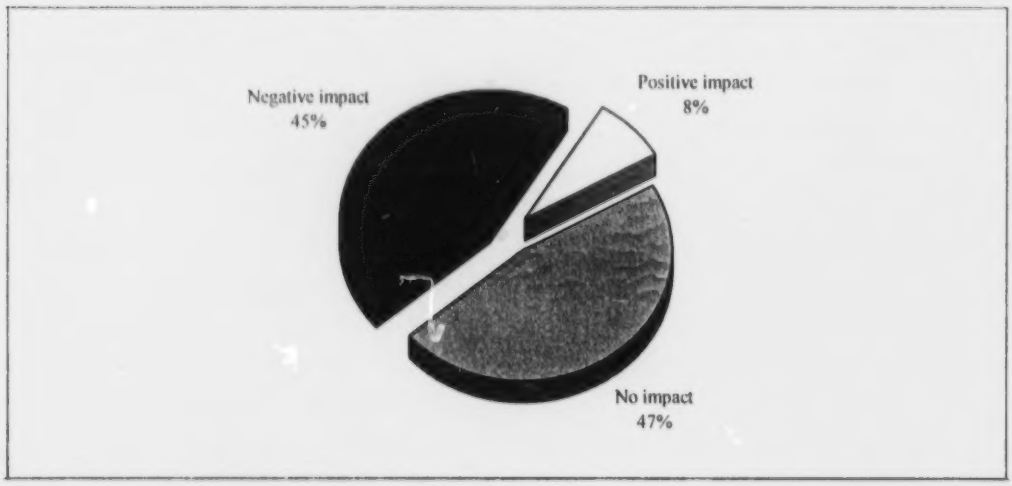
Section III. The "Ripple" Effect of Charter Schools on Districts

Charter schools affected districts in different ways. While leaders in approximately one-half of the districts in this Study perceived budget impact resulting from charter schools, all districts reported that they had changed the way they conducted their operations and more than half changed aspects of the education they offered in district schools. This section describes the changes in district budget, operations, and educational offerings that district leaders attributed to the presence of charter schools.

A. District Budget

The Study team asked district leaders, either in an in-person or a telephone interview, whether and how charters schools had affected their district budget.[16] Respondents were given the choices of positive, negative, or no impact. Exhibit 2 shows that an almost equal percentage of districts reported that charter schools had a negative fiscal impact (45 percent) as those that reported no impact on the district budget (47 percent). In 8 percent of districts, district leaders perceived that charter schools had a positive fiscal effect. In such districts, savings on capital costs were perceived to more than offset the loss of enrollment-based revenues.

Exhibit 2
Impact of Charter Schools on District Budget (N=49)



In nearly one-half of the districts, district leaders said that the existence of charter schools in their community had not affected their budget. In some cases, charter schools had the same financial relationship with the district as district noncharter schools, producing a neutral effect.

[16] Given the complex nature and differences in state and district finance systems for charter schools, it was beyond the scope of this research to conduct an in-depth financial analysis for each district. Our data represent the perceptions of district leaders.

In other districts reporting no impact, district leaders felt charter schools had not affected them because only a small number of students had left district schools to attend charter schools.[17]

In contrast, administrators in 45 percent of districts in this Study reported that charter schools had a negative impact on their budget. Some of these superintendents felt that any reduction in funding associated with students transferring from district schools to charter schools negatively affected their budgets. In other districts, administrators reported that they were forced to make "tough" budget cuts that affected their district operations. Some district leaders, for example, attributed downsizing their central offices, laying off staff, closing a school, and/or having facilities under capacity at least in part to charter schools.

District leaders in 8 percent of the districts felt that charter schools had a positive effect on their budget because the charter schools alleviated the expense of building new schools to house their growing student population. This report further explores reasons for particular perceptions of charter impact on the districts' budgets in section IV.

B. District Operations

Charter schools affected each of the 49 districts in this Study's sample in at least one area of district operations[18]—every district in this Study changed the way it conducted its business and/or operations in response to charter schools. In 90 percent of the districts, leaders indicated they made changes in multiple areas of their district's operations in response to charter schools.[19] Exhibit 3 summarizes the percentage of districts affected by charter schools in each of the five broad areas the Study used to categorize impact on district operations—central office operations, accountability and autonomy, facilities, public relations and parent involvement, and school-level staffing.

In exhibit 4, the categories and percentages in bold type are related to the categories and percentages in exhibit 3. These figures indicate the percentage of districts where interviewees reported one or more areas of impact within each of the five broad categories of district operations. Under each broad category, exhibit 4 also shows the percentage of districts that reported the specific effects of charter schools, as described below.

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[17] In most districts, interviewees described budget impact in terms of the relative number of students in charter schools and the revenue associated with each student from a district school who chooses a charter school.

[18] The Study asked district leaders questions about change in district operations in the past 5 years. These broad areas of change included: *central office*: downsizing, tracking students who choose to attend or return from charters, increasing workload, and changing delivery of services to district schools; *accountability and autonomy*: changing the accountability system, increasing focus on test scores, comparing charter and district schools' test scores, and increasing site-based decisionmaking in district schools; *facilities*: operating schools under-capacity, closing schools, and increasing or decreasing class sizes; *public relations and parent involvement*: hiring public relations personnel, increasing advertising, making changes in communication with parents, and focusing on parent involvement and customer service; *school-level staffing*: laying-off teaching staff and changing staffing patterns or hiring practices.

[19] In five districts (or 10 percent of the total number of districts in this study), charter schools affected districts in only one broad area of district operations. Four districts reported that charter schools had impacted them only in their central office operations. Three of these districts began tracking students transferring to and returning from charter schools and the fourth reported both tracking and an increased workload. Another district only reported charter impact in the area of facilities where its schools were operating under capacity.

Central office operations

In nearly all districts, the presence of charter schools had an effect on central office operations (94 percent). Most commonly, district administrators began to track students that left for and returned from charter schools—75 percent of districts reported tracking activities. In most districts (65 percent), interviewees reported that central office workload had increased due to charter–related activities (e.g., renewal hearings, ongoing assistance with charter school implementation). Interviewees in roughly one-quarter of all districts (27 percent) reported that they changed their central office services. While few districts reported that they were slower to provide service as a result of reduction in staff or staff hours, most indicated they expanded their bus routes or improved the quality or speed of delivery of services to district schools. One district, for example, improved its media and library services for all schools after a charter conversion school contracted with a private vendor that offered superior equipment. Slightly more than 1 in 10 districts in the Study downsized their central offices in response to decreasing revenues, which they attributed at least in part to the presence of charter schools.

Exhibit 3
Areas of Change in District Operations (N=49)

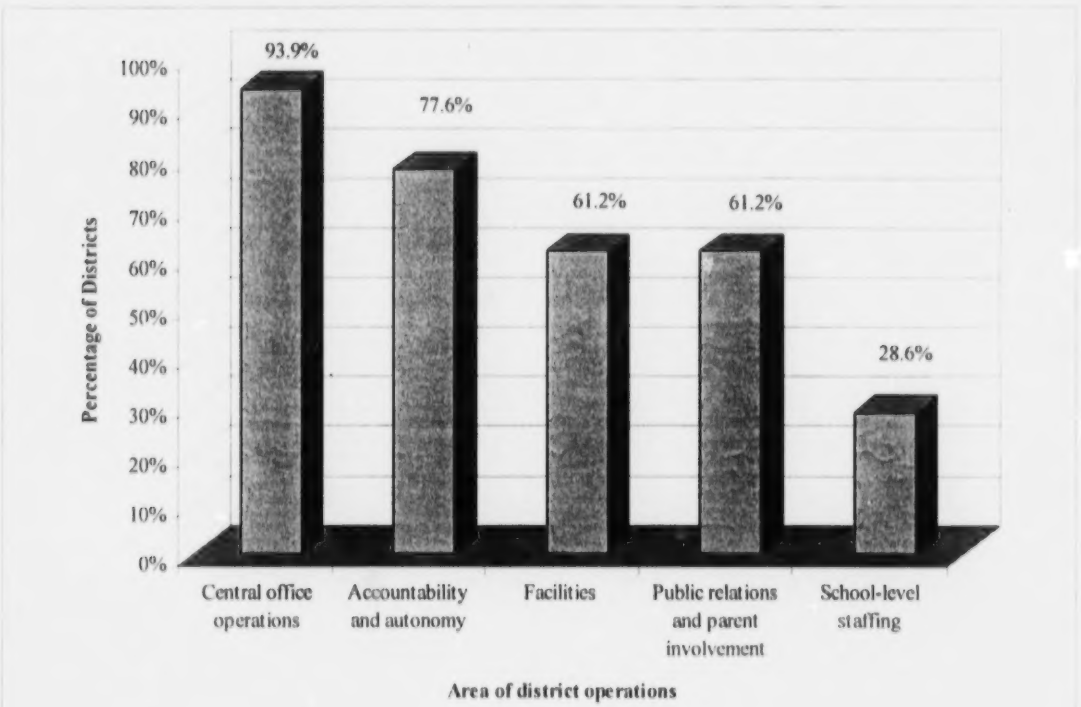

Exhibit 4
The Impact of Charter Schools on District Operations (N=49)

Area of impact on district operations *(number in parenthesis equals number of districts reporting impact)*	Percentage of districts
Central office operations	**93.9**
Tracked students (37)	75.5
Increased central office workload (32)	65.3
Changed central office services (13)	26.5
Down-sized central office (5)	10.2
Accountability and autonomy	**77.6**
Compared student achievement with charters (35)	71.4
Increased attention to test scores in district schools (17)	34.7
Increased accountability (10)	20.4
Increased autonomy: site-based management (6)	12.2
Facilities	**61.2**
Decreased enrollment pressure (17)	34.7
Operating under capacity or closed schools (12)	24.5
Increased class sizes (4)	8.1
Decreased class sizes (3)	6.2
Public relations and parent involvement	**61.2**
Increased customer service (22)	44.9
Increased marketing and public relations (20)	40.8
Increased communication with parents (19)	38.8
Promoting parent involvement (10)	20.4
School-level staffing	**28.6**
Staff layoffs (8)	16.3
Changed staffing patterns (8)	16.3
Changed hiring practices (3)	6.1

Accountability and autonomy

Often in combination with state policies promoting accountability, charter schools affected accountability and autonomy in more than three-quarters of the districts in this Study (78 percent). In more than 7 out of 10 districts (71 percent), leaders said they tracked the results of district- and/or state-mandated assessments for students in charter schools and compared the achievement of students in district schools with students in charter schools. Moving beyond comparing scores, district leaders in more than one-third of the total districts (35 percent) reported monitoring their district schools test scores more closely in response to charter

schools.[20] In one in five districts in the sample (20 percent), district administrators described charter schools as a lever for districts to increase accountability for student achievement in district schools. One superintendent, for example, reported that he planned to put district schools on probation if they scored lower than the state average or local charter schools on their statewide accountability assessment. Another district was piloting an accountability system originally developed by local charter schools for use in all district schools. Approximately 12 percent of districts promoted site-based decisionmaking as a result of charter school autonomy and decisionmaking practices.

Facilities

Nearly two-thirds of all districts reported that charter schools had affected their facilities (61 percent). In 35 percent of the total districts, administrators reported that charter schools had relieved overcrowding or the pressure to construct new facilities caused by an increasing student population. On the other hand, administrators in 25 percent of the districts reported that since charter schools opened in their districts, they were operating district schools under capacity or were forced to close schools. In four districts (8 percent), budgetary cutbacks forced the district to reduce the number of teaching positions and, with fewer teachers, to increase class sizes. Approximately 6 percent of the districts decreased their class sizes in response to charter schools. One superintendent, for example, lowered class sizes in district schools to match those in a local charter school in order to "level the playing field."

Public relations and parent involvement

Nearly two-thirds of the districts reported that charter schools affected their public relations and parent involvement activities (61 percent). Leaders in these districts referred to parents as "customers," and not only described efforts to satisfy their current but also potential parents as a result of charter schools in their districts. Nearly half of the districts increased their emphasis on customer service (45 percent)—administrators reported they were becoming more responsive to parents, and many districts began surveying parents to determine their level of satisfaction, or began to use existing survey data to address parent needs and concerns. Often in conjunction with customer service activities, nearly 40 percent of districts increased their focus on communication with parents or changed their methods of communication with current and prospective parents and community members. More than one-third of the districts in the sample increased their marketing efforts and/or hired staff to manage public relations activities (41 percent). In most cases, marketing and public relations involved introducing an advertising campaign or publishing new brochures to inform parents of district programs. Districts'

[20] In all but 2 districts (15 of the 17) that reported increasing their attention to test scores in district schools as a result of charter schools, districts also reported that they began comparing the achievement of students in district schools with students in charter schools. An additional 20 districts reported that they compare achievement but reported that they did not increase their focus on achievement in district schools as a result of charter schools—many district administrators explained this by saying they were already focused on achievement.

customer service, communication, and marketing activities were aimed at inducing students and families to return, join, or remain in the district schools. One in five districts reported an increased focus on parent involvement (20 percent) and had expanded their district-wide or school-based parent involvement programs.

School-level staffing

Slightly more that one-quarter of districts (29 percent) described changes in staffing at district schools as a result of charter schools opening. The effects on school-level staffing included both reductions in the number of staff, as well as changes in staff roles that may have been a result of staff layoffs. In some districts, the need to terminate staff was minimized because of teacher attrition and/or increased demand for teachers as a result of state-mandated class size reduction programs. In 8 districts (16 percent), interviewees reported that the district had to lay off teachers when charter schools opened. In 16 percent of the districts, charter schools prompted administrators to change school-level staffing patterns. For example, some districts implemented team teaching or added administrative duties to teachers' roles. In 6 percent of the districts, administrators reported that hiring practices changed to involve school-level stakeholders in the hiring of teachers and school administrators.

C. District Education

Nearly two-thirds of the districts (61 percent) said they made changes in their educational offerings in response to charter schools. They formed new specialty schools, implemented new educational programs, and/or changed organizational structures in existing schools.[21] As shown in exhibit 5, almost two-fifths of all districts changed one of these areas of education (39 percent) and 22 percent made changes in several areas.[22] Six percent of districts created both new specialty schools and new programs in existing schools, 12 percent of the districts offered new programs and altered organizational structures in district schools, and 4 percent of districts that made changes in education described changes in all three areas. More specifically, the following are examples of the types of educational changes that districts made in the three broad categories.

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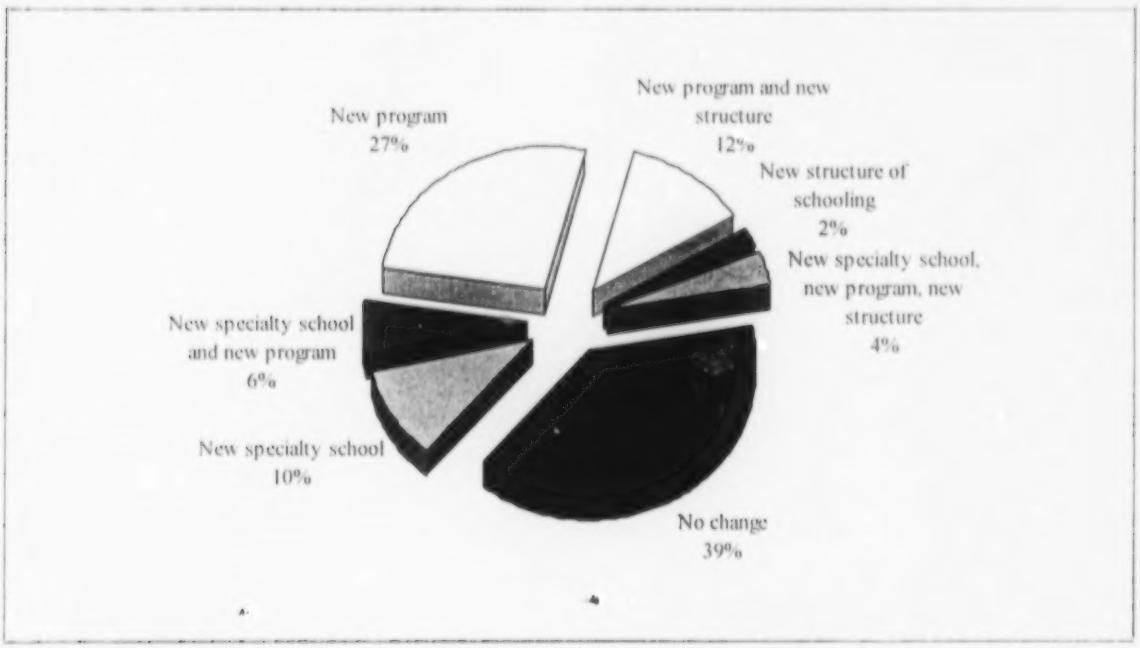
[21] The term "new specialty schools" describes new schools that have a specific academic focus and were attributed to the charter school in the community or to the opportunity that the charter law provided. Districts that identified new programs and/or new structures described academic or structural changes within existing schools. Two districts may have implemented a similar program, such as gifted and talented, but the Study differentiated in coding between schools where the program was the focus of a new school ("new school") versus schools where the program was adopted into an existing school ("new program").

[22] For some of the following discussion, percentages reported in the text combine percentages in categories reported in exhibit 4.

Exhibit 5
Single and Multiple Areas of Change in District Education (N=49)



New programs in existing schools

Nearly one-half of the districts (49 percent) implemented at least one new educational program in existing district schools in response to charter schools[23]; in slightly more than half of the districts that implemented new educational programs, this was the only area of educational change. In the remaining half of districts, administrators also reported creating new specialty schools, changing organizational structures in district schools, or both.

The types of new educational programs varied widely. All-day or extended-day kindergarten classes were the most common new educational programs. Several districts reintroduced special classes like music and art, developed programs for gifted students, started programs for at-risk youth, and/or implemented after-school programs. Other districts introduced character education or a specialized curriculum. Most of these district changes replicated programs offered by the charter schools.

[23] The total percent of sample districts that implemented new programs (49 percent) is calculated by adding all of the categories from the pie chart in exhibit 5 that include "new programs." These include the 27 percent that added only new programs, the 12 percent that added new programs and implemented new school structures, and the 6 percent that added new programs and created new specialty schools.

New specialty schools

One in five districts in this Study responded to charter schools by creating new specialty schools—in one-half of the districts, this was the only educational change and in the remaining half, the district changed one or more other aspects of their educational offerings.[24] Most frequently, districts that created new specialty schools did so in response to similar programs at charter schools. For example, several districts opened "back to basics" schools while other districts offered new options for students on either the high or low end of the academic spectrum—one district created a school for gifted students while another opened a new school for dropouts. Another district created multiple charter-like pilot schools to implement a variety of educational philosophies.

Four superintendents reported that they—in collaboration with parents, teachers, community, and business leaders—were involved in the creation of a new charter school in their districts. In these cases, rather than responding to the charter schools in their communities, these districts took advantage of the opportunities provided by the charter laws in their states to specifically create new, autonomous, specialty schools. One district, for example, created a laboratory school in order to test out innovative educational strategies for district schools. In one district, the charter school—or new specialty school—was the only educational change; in the remaining four districts, the charter-as-specialty school was implemented in combination with new programs and/or new structures.

New organizational structures

Administrators in 18 percent of the districts reported that they changed school structures, generally in combination with introducing new educational programs in district schools, in response to charter schools in their district.[25] Some districts instituted multiaged classrooms to promote a more developmental approach to education; others adopted block scheduling to allow for extended learning time in core subjects. Several districts attempted to make their schools more student-friendly and nurturing. One district, for example, divided a large elementary school into smaller "families"; another district adopted a student advisory system whereby each student was assigned to a staff member to monitor their social and academic progress. A district with primarily year-round schools changed to a traditional school year calendar in some of its schools after parents reported that they particularly liked the traditional calendar in the charter school where they were transferring their children.

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[24] The total percent of districts that implemented new specialty schools (20 percent) is calculated by summing the pieces of the pie chart in exhibit 5 that include "new specialty schools." These include the10 percent of districts that implemented only new specialty schools, the 6 percent of districts that implemented new schools and new programs, and the 4 percent of districts that implemented new schools, new programs, and new structures.

[25] As in the previous two categories of educational change, the total percentage of districts that implemented new structures (18 percent) is the sum of all the pieces of the pie (exhibit 5) that include "new structures."

D. Summary

Charter schools *have* affected districts' educational systems. Leaders in every district in the Study reported that charter schools had affected their district's budget, operations, and/or educational offerings. Some district leaders felt that charter schools had negative effects. In extreme cases, these leaders reported that charter schools negatively impacted their budgets and at least in part, prompted them to downsize their district offices, lay off staff, and/or close a school. Other district leaders felt that charter schools had impacted them positively by acting as a pressure release for student overcrowding. In response to charter schools, some districts made promising changes. Operationally, these districts reported improving the quality or speed of central office services, decreasing their class sizes, increasing their focus on accountability and test scores, emphasizing customer service and parent communication, and adding parent involvement programs. Educationally, they created new specialty schools, programs, and organizational structures. The following sections explore the conditions under which districts are affected by charter schools in the areas of budget, operations, and education.

Section IV. State and Local Conditions that Influence How Charter Schools Impact Districts

Each state's charter legislation was created and enacted for varying reasons and under unique circumstances. To date, 37 states (including the District of Columbia) have passed charter legislation; state laws reflect differences in what the charter law allows and limits. The 5 states in the Study were chosen because they had a range in what the charter law allows, and these differences have implications for the implementation and impact of charter schools in the state.

Further, each district exists in its own context defined by its demographic, geographic, political, economic conditions, as well as the district's educational reform history and current efforts to reform. This context sets a tone for how charter schools are viewed. In analyzing the areas where charter schools had an impact on districts, it is apparent that some patterns in the data can be traced back to and partly explained by differences both in state charter law and in local conditions.

A. State Conditions and Differences in Charter Law

State charter laws differ in the emphasis they place on the role of charter schools as a means to create competitive pressures for other public schools, to provide additional choices for at-risk students and/or schools, and to serve as models for other public schools. State charter laws vary in the degree to which they limit the numbers and types of charter schools, who can grant charters, the degree of autonomy granted charter schools, the type of accountability required of charter schools, and other areas.[26] States with more restrictions may have fewer, less autonomous charter schools, whereas states with fewer restrictions may have more charter schools. (See exhibit 6, for the key dimensions of charter legislation in the Study's states.)

State differences in charter law play out in state differences in the impact of charter schools on districts' budget, operations, and education. The Study found that states with similarly constructed charter laws perceived similar impacts. Michigan and Arizona, for example, have charter laws that are similar on several dimensions. In both states, charter schools can be newly created, or conversions from public or private schools. In both states, districts as well as other entities can grant charters,[27] and an unlimited number of charter schools are allowed statewide. The Study found that district leaders in these two states reported similar impacts—often they reported that the presence of charter schools had affected their districts negatively and leaders felt the districts were in competition with the charter schools.

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[26] See *Charter laws and state theories of action,* forthcoming, RPP International, U.S. Department of Education, Office of Educational Research and Improvement. This report identifies and analyzes 16 dimensions for distinguishing state charter law.

[27] While Michigan and Arizona charter law allows both the district and other charter granting entities, only three districts had one or more charter schools that were granted by the district, and one or more charter schools that were granted by another entity.

The Colorado and California charter laws are similar to each other but different from the Michigan and Arizona laws. In both Colorado and California, the district is the only charter granting entity allowed and in both states, no private school conversions are allowed. While both states allow public school conversions, the majority of charter schools in Colorado are newly created while nearly half of charter schools in California are public school conversions.[28] Funding to charter schools flows through the district, and the district and charter schools negotiate the amount of funding that the school receives and which services the district provides to the charter school.[29] Most district leaders in both Colorado and California described charter schools positively and tended to report more positive responses to charter schools. Most districts regarded charter schools as a choice; few districts cited negative effects of charter schools on the district.

Exhibit 6
Key Dimensions of Charter Legislation in the Study States (September 1999)

State	Who can grant charter	CHARTER CREATION STATUS			Number of charter schools allowed
		Newly created	Pre-existing public	Pre-existing private	
Arizona	Local boards, State board, and State charter board	Yes	Yes	Yes	No limit
California	Local boards and county boards or state board if granted through appeal	Yes	Yes	No	250 in 1998, an additional 100 annually
Colorado	Local boards + appeals[30]	Yes	Yes	No	No limit
Massachusetts	Local boards for conversions and State board for newly created[31]	Yes	Yes	No	50
Michigan	Local boards and IHEs	Yes	Yes	Yes	No limit

Massachusetts takes a more cautious approach to the creation of charter schools than the other four states in this Study. Massachusetts charter law limits the total number of charter schools allowed statewide.[32] Like Colorado and California, Massachusetts charter law allows only newly created and public school conversions, though, unlike these two states, the district can only grant charters for conversion schools. For conversion schools, the district monitors the

[28] See *The State of Charter Schools: 2000*, RPP International, U.S. Department of Education, Office of Educational Research and Improvement. As of the 1998–99 school year, only 10 percent of charter schools in Colorado were public school conversions whereas 43 percent of charter schools in California were public school conversions.

[29] Recent changes in both the California and Colorado charter have established limits on the percentage of per pupil funding that is subject to negotiation. In California, the maximum amount that a district can withhold is 3 percent while the Colorado maximum is 5 percent.

[30] Unlike California where a county or state board may grant the charter upon appeal, in Colorado appeals, the State Board of Education may order the district to grant the charter.

[31] The State Board of Education grants charters to Horace Mann Charter Schools in Massachusetts. While the state grants the charters, the district signs off on the charters. Most Horace Mann schools are newly created schools.

[32] Massachusetts's charter schools are limited to a total of 50, with 37 of those Commonwealth charters and 13 district-based Horace Mann charter schools.

school's implementation of their programs and is responsible for holding schools accountable for meeting their outcomes. Applications for newly created schools are made directly to the State Department of Education, where staff evaluate them carefully and support their implementation and hold them accountable for student results. Massachusetts districts in the sample were divided in their opinion of charter schools (half of the districts viewed charter schools positively and half viewed them negatively).

Despite these state differences, the local context in which the charter law is interpreted and implemented can have as much to do with the impact of charter schools as the law itself. The number of sample districts in each state was too small to distinguish the effect of state legislation from the effect of local interpretation and implementation. One such example of these local differences is in the area of charter granting.[33] Since the district is the only charter granting entity allowed, all of the charter schools in Colorado and California are granted by the district. However, in Michigan and Arizona, where both the district and other charter granting entities are allowed to grant charters, the district granted charters in 14 percent of districts in the two states. In Massachusetts, the legislation allows about three-quarters of charters to be granted by the state.

B. Charter Granting and the Impact of Charter Schools on District Budget, Operations, and Education

Exhibit 7 displays the impact of charter schools on district budgets, operations, and educational services. The exhibit differentiates the impact of charter schools on districts where the district is the only charter granting entity from districts that have charter schools granted by other entities. The latter group also includes districts where both the district and other entities granted charters in the district—in 3 districts both the district and other entities granted charters in the district, and in 26 districts, all of the charter schools were granted by entities other than the district. In part because of state charter legislation that defines who can grant charters, all districts in Massachusetts, Arizona, and Michigan are in this combined category, and all districts in Colorado and California were in the "district only" category. While it is possible that some districts in Arizona, Michigan, and Massachusetts could be grouped into the first category (district only), no district in our Study in any of these three states was the only charter granting entity.

[33] Another area that charter law defines is the type of charter schools allowed. In a given district, there may be newly created, public school conversion, private school conversion, or a combination of these types of charter schools. In our sample, 94 percent of districts had one or more newly created charter schools (as the only type of charter school or in combination with conversions) while 6 percent of districts had only public or private conversions. Because our sample of districts weighed heavily on districts with only newly created schools (78 percent) or districts with newly created schools in combination with conversion public or private schools (16 percent), the Study team could not study the actual effect of creation status on changes in district operations or education.

Exhibit 7
The Impact of Charter Schools on Budget, District Operations, and District Education by Charter Granting Entity (N=49)

Area of impact *(number in parenthesis equals number of districts reporting impact)*	Charter granting entity: Charters granted by district only (n=20) *(percent of districts by charter granting entity)*	Charter granting entity: Charters granted by other entities: district did not grant charter (n=26) or was not the only charter granting entity (n=3) *(percent of districts by charter granting entity)*
Impact on district budget		
No effect on budget (23)	60.0	37.9
Negative effect on budget (22)	35.0	51.7
Positive effect on budget (4)	5.0	10.3
Impact on facilities and staff		
Staff layoffs (8)	15.0	17.2
Down-sized central office (5)	10.0	10.3
Operating under capacity or closed schools (12)	20.0	27.6
Increased class sizes (4)	5.0	10.3
Decreased class sizes (3)	15.0	0.0
Decreased enrollment pressure (17)	30.0	37.9
Other effects on district operations		
Increased central office workload (32)	95.0	44.8
Changed central office services (13)	40.0	17.2
Increased accountability (10)	25.0	17.2
Increased attention to test scores in district schools (17)	25.0	41.4
Compared achievement with charters (35)	85.0	62.1
Increased autonomy: site based management (6)	20.0	6.9
Increased marketing and public relations (20)	35.0	44.8
Increased communication with parents (19)	35.0	41.4
Improved customer service (22)	40.0	48.3
Promoted parent involvement (10)	30.0	13.8
Changed hiring practices (3)	5.0	6.9
Changed staffing arrangements (8)	15.0	17.2
Impact on district education		
Created new educational programs (24)	40.0	55.2
Opened new schools (10)	15.0	24.1
Changed organizational structure (9)	25.0	13.8

The previous discussion distinguished between the five study states based on the entity that granted the charters. In our analysis of other factors that may differentiate states' charter laws, the Study found that actual charter granting entity (as opposed to charter granting entity allowed) was the most meaningful feature by which to analyze differences between districts in our study states. So as not to oversimplify the complexity of state charter laws, for the remainder of this section and section V, the analysis and discussion will focus on differences by charter granting entity rather than by state.

Exhibit 7 displays the percentage of districts in each charter granting category reporting impact in each area. The second column shows the percentage of districts that granted charters (where the district is the only charter granting entity) that reported an impact of charter schools on budget, facilities, staffing, and other areas of district operations, and district education. The third column shows the percentage of the districts in the category where other entities granted charters that reported impact in these areas. The next pages contain a discussion of these data in greater detail. For ease of discussion, the remainder of the report refers to the first category as "charters granted by district only" and the second category as "charters granted by other entities."

Charter granting and the financial impact of charter schools

Some districts in every state reported a negative impact on the budget due to charter schools. Differences in the finance structure and the way funds flow to charters affected the likelihood that districts viewed charter schools as having a negative, neutral, or positive impact on district budgets. (See exhibit 8 for a summary of funding differences in the five states.) The type of impact is also related to whether or not the district was the charter granting entity. Districts with charter schools granted by other entities were more likely to report that charter schools had a negative impact on the district budget than districts that were the only charter granting entity. As shown in exhibit 7, more than half (52 percent) of districts with charter schools granted by other entities said that charter schools had a negative impact on the budget. This compares to 35 percent of districts that were the only charter granting entity. On the other hand, a majority of districts that were the only charter granting entity (60 percent) reported no impact of charter schools whereas less than 38 percent of districts with charters granted by another entity reported no financial impact.

Exhibit 8
Summary of Funding Differences in the Study States

State	Flow of funding from state	Charters contract services from district	State reimbursement program to districts
Arizona	Directly to charter	Not common	None
California	Through district to charter. Beginning in 1999, charter schools may receive funds directly from state. Districts cannot charge the school more than the actual cost of oversight.	Negotiated; many conversion charters have a dependent relationship with district and financial arrangement is like that of district schools	None
Colorado	Through district to charter. Until 1999, minimum of 80 % of per pupil operating revenue (PPOR) to reach charter school. In 1999, increased to a minimum of 95% of PPOR.	Negotiated	None
Massachusetts	Directly to charter school	Not common	State fully reimburses districts below foundation level; partially reimburses districts at or above foundation level
Michigan	Directly to charter school	Not common	None

Districts in Michigan and Arizona were likely to report a negative budget impact as a result of charter schools. Of the 9 districts in Michigan in the Study, leaders in 6 districts reported a negative fiscal impact from charter schools, and in Arizona, leaders in 6 of the 12 districts reported a negative fiscal impact resulting from charter schools. Most districts in these states did not grant charters, so when a student chose to attend a charter school, the per pupil funding associated with that student left the district.[34] District administrators often described negative budget impact in terms of a simple calculation: the estimated number of students who left district schools to enroll in charter schools multiplied by the per pupil funding equaled the revenue that was "lost" from the district budget. An alternate calculation would be that the district's fixed costs (e.g., facilities costs and debt maintenance) remained constant when students transferred to charter schools, the district's variable costs (e.g., the cost of materials and supplies for that student and, depending on the number of students who moved from district schools to charter schools, the cost of one or more teachers) decreased.

Of the eight Massachusetts districts in our study, three reported negative budget impact and five reported no impact on the budget from charter schools. The state's reimbursement plan in Massachusetts reduces the possibility of a negative effect when students chose charter schools.

[34] The five states in this Study vary markedly in the way they finance district and charter schools. All states in the Study fund districts on a per pupil basis. This is called average daily attendance (ADA) in California, per pupil operating revenue (PPOR) in Colorado, and membership or average daily membership (ADM) in the other states.

The plan fully reimburses districts that are below the state's foundation level[35] and partially reimburses districts that are at or above the state's foundation level. Most district administrators in Massachusetts—all of those that received full reimbursement for the per pupil funding that followed students to charter schools—reported that charter schools did not negatively impact their budget because of the state reimbursement plan. District leaders who reported negative budget impact either only received partial reimbursement for students moving to charter schools, or felt the current funding formula was unfair and believed that they were receiving lower overall funding levels as a result of charter schools.[36] Several district administrators in Massachusetts expressed concern over the fiscal impact of charter schools in the future because of recently enacted legislation that phases out the state's reimbursements for charter students.[37]

On the other hand, districts in Colorado and California, as sole charter granting entities, negotiated charter school funding and reported that they strongly suggested (and sometimes required) that charter schools purchase services from the district, including legal, purchasing, payroll, accounting, or insurance.38 In these states, the district's budget is not necessarily affected when a student chooses a newly created charter school or remains in a district charter conversion school because, to varying degrees, the district can recover some of its fixed costs through services purchased by the charter schools. In California, charter schools often have a dependent relationship with the district, especially those that are converted from regular public schools.39 In these cases, the districts negotiate with the charter schools as to what services they provide and at what cost. From a financial standpoint, the districts have a similar relationship with charter schools as they have with district schools. More than half of the districts that reported no impact of charter schools on district budget were located in Colorado and California.

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[35] The school funding formula in Massachusetts is fairly complex—the state has determined a minimum level of per pupil revenue for districts across the state (the foundation level). Districts have the authority to raise revenue for schools through taxation but some districts generate less than the foundation amount while others generate more. The two types of districts are treated differently in state equalization formulae and for charter school funding.

[36] The funding formula provides charter schools with funding for high cost (special education) students whether or not they actually enroll them.

[37] In 1997, Massachusetts amended their charter law to subsidize all districts for the enrollment of additional students in charter schools on a diminishing basis. Starting in fiscal 1999 districts would be funded for 100 percent of the per pupil funds attributable to students attending charter schools their first year. This amount would decrease to 60 percent, 40 percent, and zero in the second, third, and fourth years following their transfer to charter schools.

[38] See *The State of Charter Schools: 2000,* RPP International, U.S. Department of Education, Office of Educational Research and Improvement for a summary of services and service providers. As reported there, less than 7 percent of all charter schools in Arizona, less than 5 percent of all charter schools in Michigan, and less than 6 percent of districts in Massachusetts contract central office services from the district (purchasing, insurance, accounting, payroll, or legal). Between 53 percent and 75 percent of all charter schools in California and between 37 percent and 67 percent of all charter schools in Colorado contract these central office services from their districts.

[39] In California, 43 percent of all charter schools are conversions from public schools. Of the 16 districts in California in our study, 5 districts have primarily conversion schools (4 of the 5 also have newly created charter) and 11 districts have only newly created charters.

Charter granting and the impact of charter schools on district operations

Districts that were the only charter granting entity (Colorado and California districts)[40] reported different types of effects on district operations than districts with charter schools granted by other entities (Michigan, Arizona, and Massachusetts). Specifically, districts with charter schools granted by other entities were more likely than districts that were the only charter granting entity to increase their attention to test scores in district schools. They were also slightly more likely to report operating under capacity or closing schools, advertising and waging public relations campaigns, increasing efforts to communicate with parents, and becoming more customer service oriented because of charter schools.

Districts that were the only charter granting entity were much more likely than districts with charter schools granted by other entities to report an increase in central administrators' workload—often this increase in workload was associated with their role as a charter granting entity. These districts were also much more likely to change their central office services and compare achievement of students in charter schools with students in district schools as a result of charter schools. Districts that granted charters were slightly more likely to increase their focus on accountability for student performance and more likely to promote parent involvement activities as a result of charter schools than were districts that did not grant charter schools.

Charter granting and the impact of charter schools on district educational programs and structures

As shown in exhibit 7, half of the districts that were the only charter granting entities made changes in one or more areas of education; whereas, more than two-thirds of districts with charter schools granted by other entities reported charter-related changes in one or more areas of education. These areas included creating new schools, implementing new programs, and/or altering structures in existing schools. Specifically, districts with charter schools granted by other entities were more likely than districts that were the only charter granting entity to implement new educational programs in existing schools and slightly more likely to create new specialty schools. Districts that were the only charter granting entity were slightly more likely than districts with charter schools granted by other entities to alter organizational structures in existing schools. Within each area of educational change, the types of programs, schools, and structures differed based on charter granting category. The next section explores these differences.

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[40] In Colorado and California, the district is the only charter granting entity allowed. While it is possible that districts in Michigan and Arizona could be the only charter granting entity in their district, no districts in this study were the only charter granting entity. Most did not grant charter schools.

C. Local Conditions and the Impact of Charter Schools on District Budget, Operations, and Education

Local conditions help explain the districts' responses to charter schools. The Study found that a district's enrollment trend partially explained patterns in charter impact on districts.[41] These patterns in enrollment trend and charter impact on budget, district operations, and district education are displayed in exhibits 9 and 10. District size (small, medium, or large) also explained perceived impact on district budget.

District size and financial impact of charter schools

The Study found that reports of budget impact and district size are significantly correlated—larger districts are more likely to report no impact while smaller districts are more likely to report negative impact on district budget.[42] This finding is not surprising—even a small number of students moving to charter schools from a small district (those enrolling 5,000 or fewer students) might have a significant impact on the district's budget while that same number of students leaving a large district would have a much smaller impact on a large district (enrolling 20,000 or more students). Sixty percent of small districts reported that charter schools had negatively impacted their district budget and one-third (33 percent) reported no financial impact as a result of charter schools. Of all medium-sized districts half reported negative budget impact while nearly 40 percent reported no financial impact as a result of charter schools. In large districts, 70 percent of districts reported no impact from charter schools on their district budget.[43]

District size was not related to enrollment trend. Rather the Study found that enrollment trend, regardless of whether the district was small, medium, or large, explained patterns in both perceived budgetary impact and changes in district operations and district education that district leaders attributed to charter schools.

Enrollment trend and the financial impact of charter schools

Exhibit 9 displays the financial impact of charter schools in districts with increasing, stable, and decreasing enrollment. Percentages in the exhibit reflect the percentage of districts in each category of enrollment trend that reported positive, negative, or neutral budget impact as a result of charter schools. The Study found that reports of budget impact and district enrollment trend are related. More specifically, every district with declining enrollment reported that charter

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[41] Based on actual district enrollment figures over the past 5 years, the Study calculated whether the district's enrollment trend excluding charter school students was increasing, decreasing, or had remained stable. District interviewees confirmed these estimates.

[42] The Study categorized 15 districts as small in size (enrolling up to 4,999 students); 18 districts as medium-sized (enrolling between 5,000 and 19,999 students); and 16 districts as large (enrolling 20,000 or more students.)

[43] District size is related to geographic location—urban districts tend to be larger than suburban districts, which in turn tend to be larger than rural districts. The number of charter schools in a district ranged from 1 to 40. While the number of charter schools in the district was correlated significantly with district size, there was no relationship between number of charter schools and perceived impact on budget, district operations, or district education. For average district student achievement, the Study categorized districts in comparison to state average: above, below, within 5 percent of state average for student achievement. Neither district size nor average student achievement explained patterns in charter schools impact on district operations or district education.

schools had a negative impact on the district budget. Fewer districts with stable enrollment and even fewer districts with increasing enrollment reported negative budget impact. Two-thirds of districts with stable enrollment (67 percent) and one-quarter of districts with increasing enrollment (26 percent) said charter schools had a negative impact on the district budget. Conversely, districts with an increasing enrollment trend were the only districts that reported a positive impact on the budget as a result of charter schools. Districts with increasing enrollment most often reported no budget impact (62 percent). Fewer stable districts reported no budget impact (33 percent), and all of the districts with decreasing enrollment reported some impact on the budget from charter schools. In general, districts reported a negative impact where the establishment of a charter school exacerbated an already difficult financial situation.

Exhibit 9
Enrollment Trend and the Impact of Charter Schools on District Budget (N=49)

Enrollment trend *(number in parenthesis equals number of districts in each category)*	**Impact on Budget**		
	Neutral	Positive *(read percent across)*	Negative
increasing (n=34)	61.8	11.8	26.4
stable (n=6)	33.3	0.0	66.7
decreasing (n=9)	0.0	0.0	100.0

Exhibit 10 combines districts with stable and decreasing enrollment and compares them to districts with increasing enrollment. For each area of district operations or district education, the exhibit shows the percentage of districts with stable or decreasing enrollment and the percentage of districts with increasing enrollment where administrators reported impact from charter schools.

Exhibit 10
The Impact of Charter Schools on District Operations and District Education by Enrollment Trend (N=49)

(number in parenthesis equals number of districts reporting impact)	Enrollment trend: Declining or stable (n=15)	Enrollment trend: Increasing (n=34)
	(percent of enrollment category)	
Impact on facilities and staff		
Staff layoffs (8)	46.7	2.9
Down-sized central office (5)	26.6	2.9
Operating under capacity or closed schools (12)	46.7	14.7
Increased class sizes (4)	26.7	0.0
Decreased class sizes (3)	6.7	5.9
Decreased enrollment pressure (17)	0.0	50.0
Impact on other district operations		
Increased central office workload (32)	73.5	46.7
Changed central office services (13)	40.0	20.6
Increased accountability (10)	20.0	20.6
Increased attention to test scores in district schools (17)	40.0	32.4
Compared achievement with charters (35)	66.7	73.5
Increased autonomy: site based management (6)	6.7	14.7
Marketing and public relations (20)	60.0	32.4
Increased communication with parents (19)	53.3	32.4
Increased customer service (22)	60.0	38.2
Promoted parent involvement (10)	26.7	17.6
Changed hiring practices (3)	6.7	5.8
Changed staffing arrangements (8)	46.7	2.9
Impact on district education		
Created new educational programs (24)	60.0	44.1
Opened new schools (10)	13.3	23.5
Changed organizational structure (9)	20.0	17.6

Enrollment trend and the impact of charter schools on district operations

In nearly every area of district operations, districts with declining or stable enrollment were more likely to report that charter schools had an impact, and that these impacts were perceived as negative by district leaders.[44] There were several notable differences in district leaders' reports

[44] The declining enrollment that some districts were experiencing may have been part of a decline in the larger system, as surrounding districts with no charter schools were, in some cases, also experiencing a similar rate of enrollment decline. In some districts, it is possible that the negatively perceived affects of charter schools could also be attributed to the dynamics of the larger system and district leaders are "blaming" charter schools. This report does not attempt to differentiate between effects of the larger system and effects of charter schools, but only reports district leaders' attribution.

of changes in district operations. These differences were a product of efforts to compensate for declining enrollment trends caused by or exacerbated by students choosing charter schools, specifically in the areas of staffing and facilities. Districts with declining enrollment were more likely than districts with increasing or stable enrollment to report reductions in staffing, which district leaders attributed to the presence of charter schools and perceived as negative. One superintendent reported that his district terminated one teacher's aide in each of the district schools and another district terminated 10 teachers as a result of their decreasing enrollment trends exacerbated by the presence of charter schools. Other districts did not actually have to lay off staff; instead, staff reductions were accomplished through teacher attrition and retirement.

Several district leaders reported that they would have laid off teachers had it not been for class size reduction programs through which they reassigned teachers. Districts with declining enrollment were more likely to report that schools were operating under-capacity, closing schools, and—with fewer staff—increasing class sizes, as well.

Districts with a declining or stable enrollment trend were more likely than districts with increasing enrollment to make changes in central office services or staffing arrangements as a result of charter schools. These districts were more likely to report having to down-size their central office, accomplished by laying off central office staff, reducing administrators' hours, or placing a freeze on administrator hiring because of charter schools in their district. One district, for example, did not fill the retiring Associate Superintendent's position and instead distributed those responsibilities to school principals, which the superintendent and principals perceived as negative.

Districts with a declining or stable enrollment trend were more likely to increase advertising of their educational programs and focus on serving the needs of their parents and students (customer service, parent involvement, and communication) as a result of charter schools than were districts with increasing enrollment trends. These districts with declining or stable enrollment were interested in retaining their current student populations and attracting those students attending the charter school(s) in their community.

District leaders in a third of the districts reported that the presence of charter schools along with legislative emphasis on accountability caused them to increase their focus on student achievement. Most districts began to compare the achievement of students in district schools with charter school students' achievement. A greater percentage of districts with increasing enrollment than districts with declining or stable enrollment began to compare the achievement of students in charter schools with students in their district schools. Districts with increasing enrollment were also more likely to adopt or increase site-based decisionmaking in their district schools as a result of charter school practices.

Enrollment trend and the impact of charter schools on district education

Districts with declining or stable enrollment were more likely than districts with increasing enrollment to implement new educational programs or new structures in existing schools.

Conversely, districts with increasing enrollment were more likely than districts with declining or stable enrollment to create new specialty schools. As in the case of district charter granting, the types of schools, programs, and structures differed between districts with increasing enrollment and districts with stable or decreasing enrollment. These differences will be explored in the next section.

D. Summary

State approaches to charter laws differ. In particular, charter granting authority is correlated with different effects. Massachusetts, Colorado, and California have only one charter granting authority. In contrast, Arizona and Michigan have multiple charter granting entities. Districts in states with multiple charter granting entities were more likely to perceive that charter schools had a negative impact on their budget and were more likely to begin marketing, improve customer service, increase communication with parents, and adopt new educational programs than districts in states with only one charter granting entity. In contrast, districts in states with only one charter granting entity were more likely to report that charter schools had no impact on their budgets, increased their central office workload, and prompted them to compare their achievement scores with those of the charter schools.

Two other local factors also explain patterns in the impact of charter schools on districts—enrollment trend and district size. The majority of small districts, and every district with declining enrollment, reported that charter schools had a negative impact on district budgets. Patterns in the impact on charter school districts were even more pronounced when charter granting entities and enrollment trends were considered together. All districts in the Study with declining enrollment and with charters granted by other entities reported that charter schools had a negative impact on the budget. These districts spoke of charter schools as a challenge to the district and often responded competitively by increasing their marketing efforts and implementing educational programs that would directly compete with charter school programs. The Study also found that districts with increasing enrollment, and where the district was the only charter granting entity, often reported that charter schools had a neutral or positive impact on the budget. Districts in this group described charter schools in more positive terms, most often reporting that charter schools created additional choice options for parents and students. In some of these districts, leaders even spoke of charter schools as an opportunity to support widespread district reform. The Study terms these locally determined perceptions—challenge and opportunity-—as the district orientation toward the charter phenomenon.

Section V. District Orientation and the Effect of Charter Schools on District Operations and District Education

District orientation toward charter schools—whether districts viewed charter schools as a challenge (creating competition) or as an opportunity (offering choice or promoting innovation)—appears to be both cause and effect. District orientation presages how some districts respond to charter schools while also often being a product of the effects that charter schools have on districts. Whether a district comes to view charter schools as an opportunity or a challenge, its orientation sets in motion decisions, policies, and changes that ultimately affect the district in many ways. The district's orientation and how it responds to charter schools is related to local conditions as well as differences in state charter laws.

A. What Districts Mean by Challenge and Opportunity

Study staff listened carefully to the language interviewees used to describe charter schools and the effect that charter schools had on their district. District leaders also were asked to summarize how they perceived the intent and the effect of the charter school phenomenon. Districts were nearly evenly divided in their orientation—49 percent viewed charter schools primarily as a challenge and 51 percent viewed charter schools primarily as an opportunity.

The challenge of charter schools. Leaders in 24 of the 49 districts (49 percent) described charter schools as a challenge to their district. Many of the leaders reported that charter schools created competition between the district or district schools, and charter schools. Competition in this context suggested a rivalry, where the district and district schools were actively seeking to regain or keep the students for which charter schools were also vying. In other contexts, districts said that charters were a future threat or challenge, but they were not actively competing at present. Often, charter schools made barely manageable or difficult district conditions worse—interviewees attributed fiscal and operational cutbacks to the presence of charter schools. Some districts reported that charter schools were a vehicle for additional choice, but the overwhelming perception was that the increased choice posed a challenge, even a threat.

Charter schools as an opportunity. Leaders in the remaining 25 of the 49 districts (51 percent) described charter schools in more positive terms—as an opportunity. In some districts, district leaders reported that charter schools created additional choice options for students and parents, and that the leaders supported choice. In these districts, leaders reported that the charter schools appealed to parents who wanted a new and different way to become involved, catered to at-risk or other special populations of students, or relieved the immediate pressure from district growth. In other districts, charter schools represented an impetus for change in the district. Some district leaders said they utilized the charter schools and charter outcomes as standards of comparison and encouraged district schools to re-evaluate their educational programs and relationships with students and parents to better meet their stakeholders' needs. Other districts described the charter schools as a potential source from which to learn, or as a "laboratory for

innovation." A handful of districts embraced charter schools as part of a district reform effort and encouraged the growth of charter schools in their district. These districts described charter schools as both potential laboratories for innovation and as levers for district change. All of these were opportunities—for parents or for the district—to better reach educational goals and meet the needs of students.

B. Charter Authority and Enrollment Factors

Charter granting, enrollment trend, and district size are related to district orientation. Districts in declining enrollment with charter schools granted by other entities were more likely to view charter schools as a challenge. Conversely, districts with increasing enrollment, especially those that were the only charter granting entity, were more likely to view charter schools as an opportunity—as a choice for parents or as a catalyst for reform. Exhibit 11 shows the percentage of districts in each enrollment trend, size, and charter granting category that reportedly viewed charter schools as a challenge versus an opportunity. The data show patterns that might logically explain why some districts came to view charter schools as a threat or competition (challenge), and other districts embraced them. Leaders in every district with declining enrollment and leaders in two-thirds (67 percent) of small-sized districts reported that they viewed charter schools as a challenge—charter schools posed a threat or were competition. Similarly, leaders in nearly two-thirds of districts (62 percent) where entities other than the district granted the charter viewed charter schools as a challenge. On the other hand, district

Exhibit 11
Charter Authority and Enrollment Factors Affecting District Orientation (N=49)

Factors affecting orientation *(number in parenthesis equals number of districts in each category)*	**District orientation**	
	Challenge	**Opportunity**
	(read percent across)	
Enrollment trend		
Declining enrollment (9)	100.0	0.0
Stable enrollment (6)	66.7	33.3
Increasing enrollment (34)	32.4	67.6
District size		
Small, up to 4,999 students (15)	66.7	33.3
Medium, between 5,000 and 19,999 students (18)	55.6	44.4
Large, greater than 20,000 students (16)	25.0	75.0
Charter granting entity[45]		
District only (20)	30.0	70.0
Other entities (29)	62.1	37.9

[45] In exhibits 10 and 11, "district only" denotes districts that are the only charter granting entity in the district. "Others entities" includes both districts that only have charter schools granted by other entities and districts where one or more charter schools are granted by the district and one or more charter schools are granted by another entity. The text describes these as "districts with charters granted by other entities."

administrators that viewed charter schools as an opportunity—as another choice, as a laboratory for innovation, or as a means to promote system-wide change—were more likely to come from large districts, districts with increasing enrollment, or districts that granted the charter.

These results are more compelling when enrollment and charter granting are analyzed together. Exhibit 12 shows the percentage of districts in each combined enrollment-charter granting category that viewed charter schools as a challenge versus an opportunity.

Exhibit 12
Combined Effect of Charter Authority and Enrollment on District Orientation (N=49)

Combined factors affecting orientation		Number of districts	District orientation	
Enrollment trend	Charter-granting entity		Challenge	Opportunity
			(read percent across)	
Declining	District only	3	100.0	0.0
	Other entities	6	100.0	0.0
Stable	District only	1	100.0	0.0
	Other entities	5	60.0	40.0
Increasing	District only	16	12.5	87.5
	Other entities	18	50.0	50.0

Each of the nine districts with declining enrollment viewed charter schools as a challenge and perceived charter schools as having a negative effect on the district budget. For these districts, declining enrollment and negative fiscal impacts created a sense of competition with charter schools. These districts felt that they needed to compete with charter schools to sustain their student populations and economic foundations. While based on a small number of schools, it appears that declining enrollment is a more powerful predictor of districts' orientation towards charter schools than charter granting authority.

In districts with stable enrollment, district leaders reported mixed views of charter schools. In four of the districts with stable enrollment, district leaders viewed charter schools as a future threat and a challenge, and reported effects similar to those reported by leaders in districts with declining enrollment. The one district with stable enrollment where the district was the only charter granting entity viewed the charter school as a challenge and three of the five districts with stable enrollment with charter schools granted by other entities also viewed charter schools as a challenge. Most districts with stable enrollment also reported a negative impact on the district budget resulting from the presence of charter schools.

In districts with increasing enrollment, charter-granting authority is important in explaining patterns in district orientation. Of the 34 districts with an increasing enrollment trend, two-thirds viewed charter schools as an opportunity. Further, 14 of the 16 districts that were both the only charter granting entity and had increasing enrollment viewed charter schools as an opportunity (88 percent). Conversely, only half of the districts that had both charter schools granted by other entities and had increasing enrollment viewed charter schools as an opportunity (9 of the 18

districts were in this category). The other nine districts viewed charter schools as a challenge, and five of the nine districts reported charter schools had a negative impact on their district's budget.

We found that district leaders' perception of charter effects on district budget—and subsequent decisions related to budget—was also related to district orientation. Exhibit 13 shows the percentage of districts reporting that charter schools had an impact on district budget, facilities, and staffing and viewed charter schools as a challenge versus an opportunity. District leaders reported that charter schools posed a threat and a challenge when students' choosing charter schools had a negative impact on the budget and forced the district to down-size or were otherwise negatively affected in the areas of facilities and staffing. All but one district that was operating under capacity or had to close schools, and every district that downsized the central office, laid off staff, or increased class sizes as a result of charter schools felt charter schools posed a challenge. On the other hand, of the 17 districts that viewed charter schools as a pressure release, all of which had increasing enrollment, nearly three-quarters (72 percent) also viewed charter schools as an opportunity.

C. District Orientation and Changes in District Operations and District Education

Districts are affected by charter schools, and they make changes in district operations and district education when charter schools are present. The types of changes in district operations and district education differed depending on whether charter schools were viewed as a challenge or an opportunity. Exhibit 14 shows the percentage of districts in each orientation category where district leaders reported that charter schools had an impact on specific areas of district operations and district education.

Exhibit 13
District Orientation and Impact of Charter Schools on Budget, Facilities, and Staffing (N=49)

Charter school impact on... *(number in parenthesis equals number of districts reporting impact)*	**District orientation**	
	Challenge	**Opportunity**
	(read percent across)	
District budget		
Positive or no impact on budget (27)	22.2	77.8
Negative impact on budget (22)	81.8	18.2
Facilities and staffing		
Staff layoffs (8)	100.0	0.0
Down-sized central office (5)	100.0	0.0
Operating under capacity or closed schools (12)	91.7	7.3
Increased class sizes (4)	100.0	0.0
Decreased enrollment pressure (17)	27.8	72.2

District orientation and changes in district operations. Districts reporting a challenge from charter schools most often increased their public relations efforts. As shown in exhibit 14, nearly three-quarters (71 percent) of districts that viewed charter schools as a challenge increased their advertising, two-thirds (67 percent) increased their focus on customer service, and more than half (54 percent) turned their attention to improving their communication with parents. These efforts were designed to win back students and families or entice enrolled students not to leave. Fewer than a quarter of districts that felt charter schools were an opportunity made changes in any aspect of their public relations.

Exhibit 14
District Orientation and District Change

District changes in ... *(number in parenthesis equals number of districts reporting changes)*	**District orientation**	
	Challenge (n=24)	**Opportunity (n=25)**
	(percent of orientation)	
Central office operations		
Increased central office workload (32)	58.3	72.0
Changed central office services (13)	33.3	20.0
Accountability and autonomy		
Increased accountability (10)	25.0	16.0
Increased attention to test scores (17)	45.8	24.0
Compared achievement with charters (35)	79.2	64.0
Increased autonomy: site-based management (6)	8.4	16.0
Public relations and parent involvement		
Increased marketing and public relations (20)	70.8	22.0
Increased communication with parents (19)	54.2	24.0
Increased customer service (22)	66.6	24.0
Promoted parent involvement (10)	25.0	16.0
School-level staffing		
Changed hiring practices (3)	8.3	4.0
Changed staffing arrangements (8)	29.2	4.0
District education		
Created new educational programs (24)	58.3	40.0
Opened new schools (10)	25.0	16.0
Changed organizational structure (9)	16.7	20.0

District orientation and changes in district education. An almost equal percentage of districts leaders from each group—those that viewed charter schools as a challenge and those that viewed them as an opportunity—altered organizational structures in existing schools. In all districts reporting a challenge, the change was a direct result of the presence of charter schools. In each of the districts where charter schools were a choice or an opportunity, district leaders

reported that the new organizational structure was partly related to charter schools, but also related to other forces at work in the district.

When district leaders viewed charter schools as a challenge rather than an opportunity, however, the presence of charter schools was slightly more likely to influence districts to create new specialty schools and/or make changes in their educational services. Twenty-five percent of districts that reported charter schools were a challenge as compared to 16 percent of districts that reported charter schools were an opportunity created new specialty schools. Further, nearly 60 percent of districts where district leaders reported charter schools were a challenge offered new educational programs, and 40 percent of districts where leaders said charter schools were an opportunity also implemented new educational programs.

The specific types of change and the reported reasons for making the change in each type of educational service differed depending on whether charter schools were viewed as a challenge or an opportunity. Districts that were challenged by the presence of charter schools and created new specialty schools or implemented new educational programs or structures tended to do so in response to the actual or anticipated departure of parents and students. For example, in one district, parents gave the district an ultimatum, saying that they would create a new charter school if the district did not create a gifted and talented choice option in the district. Many challenged districts implemented programs, structures, and new specialty schools that replicated charter school programs. Several districts, for example, implemented an all-day kindergarten, in order to induce parents to return, to stay in, or to initially choose district schools. In other districts, administrators reported that their districts were implementing programs that better met the needs of at-risk students. Some districts implemented programs, structures, and new schools that may or may not have been the same as those offered in the charter school(s) but administrators reported that charter schools were the impetus for such changes. In these districts, administrators said that charter schools helped them to re-evaluate their educational offerings and to look critically at why students and parents were choosing charter schools, and to implement changes to attract or retain students in the future. Challenged districts that implemented changes in education also tended to increase their public relations efforts.

Districts that viewed charter schools as an opportunity and made changes in education tended to describe charter schools as a catalyst for change—some were collaborating with charter school staff and others viewed charter schools as an opportunity to learn. For example, three districts that viewed charter schools as an opportunity were utilizing charter school technology and the technological expertise of charter school teachers and students to enhance use of computers in the district schools. Another district collaborated with the charter school and was able to offer the charter school's after school program to students in district schools. Three other districts reported that the presence of charter schools hastened the pace of district change already in progress—administrators were already planning to implement multiage classrooms, team teaching, or specialized educational programs.

Five districts that viewed charter schools as an opportunity incorporated charter schools as part of a systemic reform effort. The districts viewed charter schools as a tool to improve the district and as a mechanism by which district schools could better meet student needs. In these districts, the superintendent was instrumental in the formation of the charter school and remained active in the implementation of the charter. Superintendents in these districts considered the charter schools as a lever for change in the district and encouraged district schools to adopt charter-like practices or other reforms, or to become charter schools in order to better meet student needs.

D. Summary

The previous section showed that districts that had no role in charter granting, were small in size, or had a decreasing enrollment trend were most likely to report a negative fiscal impact from charter schools. Most of these districts also reported changes in public relations, district operations, and in implementation of educational programs and structures related to attracting and retaining students. In this section, not surprisingly, the Study found that these same districts are most likely to report that charter schools were a threat or a challenge. When such districts changed their operations and education—and most did—they were actively competing with charter schools. They attempted to entice families to stay or return by advertising district programs and/or implementing new educational options often mirroring those found in the charter school.

In contrast, the majority of districts with increasing enrollment and those where the district was the only charter granting entity tended to describe charter schools as an opportunity. Many of these districts did not change their operations and offerings but rather viewed charter schools as a new choice option. Other such districts used charter schools to leverage change, to learn from, or to reinforce district reforms.

The next section provides examples of districts that have made changes in district operations and district education—fueled by the view of opportunity or challenge, and the conditions and contexts that influenced those perceptions.

Section VI. Illustrations of District Responses to Charter Schools

This section presents vignettes of several study districts to illustrate how charter granting status, enrollment trends, district size, and orientation interact and mediate the way charter schools affect districts' budgets, operations, and educational offerings. Given the significant differences between districts that view charter schools as a challenge versus opportunity, the Study uses orientation as a frame to organize the vignettes.

A. Charter Schools as a Challenge

Nearly half of the districts in this Study viewed charter schools as a challenge. These districts generally had declining or stable enrollment, had charter schools granted by other entities, and had district leaders who reported that charter schools had created competition in their district. In some cases, this competition was active while in others it loomed as a threat.

In the following example of a district with declining enrollment, the superintendent felt that charter schools had a negative impact on the district's budget. He described how charter schools created a competitive atmosphere and the ways in which the district responded with competitive operational and educational changes to entice students to return to or remain in district schools. Like many other districts that viewed charter schools as a challenge, and like other districts with declining enrollment, this district was forced to make budget cuts which resulted in what the superintendent described as negative impacts on their central office, staffing, and facilities.

> *Administrators in this multiracial, medium-sized urban district said they "hated" and "were against" charter schools because they exacerbated the district's declining enrollment, negatively impacted its budget, heavily affected its operations and educational offerings, and created a competitive challenge. This district has seen its family population age as younger families moved out to its suburbs. For two decades, the district experienced decreasing enrollment and anticipated that the trend would continue. Charter schools accelerated the district's enrollment decline by attracting a significant percentage of its students. Four charter schools, serving approximately 1,500 students, operated in the metropolitan area. The superintendent estimated that at least 1,000 of these students, or more than 5 percent of the district's total population, would otherwise have attended district schools.*
>
> *While the superintendent acknowledged that the district no longer had to educate the students who attended the charter schools, he reported that the district faced a budget crisis as a result of the decrease in revenue. The district attempted to track students who left for charter schools and made budget projections based on those estimates. Due to lack of reliable information, district budget projections included many more students in district schools than actually attended. According to the superintendent, the movement of students to charter schools created an even greater hardship on district schools that were already operating under capacity. As a result, the district laid off 10 teachers and*

downsized the central office—increasing the workload for the remaining staff, according to the superintendent. State class size reduction funds and the retirement of district teachers mitigated the effect of charter schools on the teacher layoffs.

District administrators reported that the loss of students to charter schools and the resultant decrease in revenue to charter schools created a competitive education marketplace in the community. In order to recruit, retain, and induce students to return from charter school, the district increased its marketing efforts and its emphasis on customer service and parent satisfaction. The district developed an image boosting campaign and spent $75,000 to broadcast its message in television, newspaper, and billboard advertisements. District leaders told both central office administrators and school staff that they needed to provide better customer service and have more contact with parents. The district also provided schools with more funding for parent and community outreach. In order to provide teachers with an incentive to keep students in district schools, the district developed a merit pay system based on student enrollment. If the district met its enrollment targets, teachers received a bonus; and if the district failed to meet its enrollment target, teachers would be penalized.

The district also implemented educational programs to replicate the programs charter schools were offering. They created an all-day kindergarten program in direct response to a similar program in one of the charter schools. The superintendent said he hoped that if parents sent their children to district schools for kindergarten, they would be less likely to change schools in their elementary years. The district also reinstated music and arts programs in most of the district's elementary schools and added an honors program in its middle schools both in response to charter schools and to feedback from parent surveys.

Not all districts that viewed charter schools as a challenge had a declining enrollment trend. Two-thirds of districts with stable enrollment and one-third of districts with increasing enrollment also viewed charter schools as a challenge. In most of these districts, the charter schools were granted by entities other than the district. Administrators in these districts often did not have to downsize or lay off staff, but they still viewed charter schools as a current or potential threat. For example, one district leader stated, "We are aware and mindful that charters are out there and our dollars are portable." Most districts responded with competitive actions similar to the previous example.

Two districts that viewed charter schools as a challenge had charter schools granted by other entities as well as themselves. One district had increasing enrollment and the other had stable enrollment. In both districts, administrators were supportive of the charter schools they granted but regarded those that they did not grant as a challenge. The following vignette illustrates these dynamics and the competitive changes that one district made.

This suburban, medium-sized district has stable student enrollment. District leaders reported being very supportive of the charter school they granted but were opposed to the charter school granted by another charter granting entity because it attracted students away from the district. The possibility of an additional charter school—also granted by another entity—opening in the district created the threat that the district would soon face declining student enrollment.

Since the early 1980s, the district had an alternative school for students who were at-risk or who had dropped out of middle or high school. The district chartered the alternative school once its state charter law passed in order to make it easier to enroll students from other districts and increase the school's autonomy and educational flexibility. Charter status allowed the school to gain more visibility and increase in size. In contrast, another charter school opened in the district and recruited district students to attend. It enrolled 200 students, about one-third were from district schools and the remaining were from a parochial school that had closed. The superintendent reported that the second charter school had a negative financial impact. He said, "Oh yeah, that's $1 million bucks of state aid we would have gotten. It's spreading an already thin budget even thinner." The loss of students exacerbated the degree to which some district schools were operating below their student capacity. The superintendent worried that if another charter school opened in town, they would have to close a district school.

While only 79 students transferred to the charter school (or 1.3 percent of the district's total student population), the superintendent reported that the primary effect of charter schools was competition: "Seventy-nine students could become 279 very quickly and as a result we're willing to fix anything that parents leave for, like scheduling or busing." The district took measures to entice students to return and to remain in district schools. The superintendent continued, "The charter school stole our students, we will steal them back." The district assigned an administrator in the central office to be in charge of marketing. This administrator tracked, surveyed, and visited the families of students moving to the charter school in order to understand why they were leaving the district schools. Based on this information, he created marketing brochures describing the district's virtues.

As a direct result of charter schools, the district increased its emphasis on customer satisfaction. The superintendent reported, "We're better because of charters, I hate to say it, but we're more aware of the importance of what parents say and have become more customer-service oriented." Based on input from parents, the district implemented several new educational programs in their elementary schools. The district also encouraged team teaching and directed its elementary schools to divide the schools into smaller units or "families" as a way to increase the sense of community in the schools.

The district remodeled school buildings and included parents in the hiring process for new principals. They began providing bus service to enable students to attend the school

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of their choice. In addition, the district improved the quality of its school lunch program. The district also increased schools' accountability for student achievement. District administrators began comparing the achievement of students in charter schools with students in the district schools from which they transferred and told school administrators that students in district schools were expected to outperform students in charter schools. District administrators created a new accountability system around this expectation.

Only 6 districts (12 percent) in this Study both viewed charter schools as a challenge and were the only charter granting entity in their district. Four of these six districts had declining or stable enrollment. Administrators in these four districts reported that they were affected by and responded to charter schools in ways similar to the district in the first example. In one case, the superintendent of a very small district with stable enrollment said she felt "railroaded" into granting the charter to a group of parents in the community. After the charter school opened, the district was forced to lay off a teacher and the superintendent had to take over as principal of the local high school.

In contrast, the two districts with increasing enrollment that viewed charter schools as a challenge said they were supportive of charter schools when they granted the charters. These administrators felt that the charter schools offered parents a valuable alternative. However, they also expressed anxiety about the future. In these cases, charter schools were described both as a choice for parents and a potential challenge for the districts. The superintendent feared that charter schools opening in neighboring districts would siphon away more of the district's families and students. Thus, the potential threat of charter schools caused these two districts that granted charters to view charter schools more as a challenge than an opportunity.

B. Charter Schools as an Opportunity

Most often, district leaders who felt that charter schools were an opportunity said that charter schools created additional school choice options for parents who wanted to become more involved in schools or were seeking different educational options for their students. Leaders in some districts that viewed charters as an opportunity reported that charter schools served to release pressure for the district's population growth, and leaders in other districts said charter schools served as a vehicle through which the districts could further their own reform efforts.

More than one-half of districts that viewed charter schools as an opportunity were the only charter granting entity, the remaining districts had charter schools granted by other entities—nearly all of these districts had increasing enrollment. Like many of the other districts in this Study that saw charter schools as an opportunity, the following example illustrates the dynamics of a district that reported few effects of charter schools on district operations, made only limited changes in district education, and primarily viewed charter schools as another choice for parents.

This growing district was supportive of charter schools, and while they were not the charter granting entity in their district, district leaders viewed charter schools as an opportunity to create additional choice and relieve pressure from population growth in their community. Located in a small city recently voted among the most livable cities in the country by a national publication, the district operates 34 schools. Student enrollment had grown over the previous 5 years, especially at the high school level, and the district expected the trend to continue. Over the previous 4 years, four charter schools had opened, serving approximately 500 students. The superintendent estimated that 400 of these students, or 2.5 percent of the district's student population, would have otherwise attended district schools. Despite the departure of these students, the district's total enrollment continued to grow and the district did not feel charter schools had a negative fiscal impact.

The school board president reported that the district was initially "fearful" about the arrival of charter schools because they didn't know how many would open. This initial anxiety dissipated and the district became supportive of the district's charter schools when they relieved enrollment pressure at their over-crowded high schools and provided more choice to parents and students. The district was supportive of choice and, even before charters, offered parents several district choice options. The school board president said that the district viewed charter schools positively, as they viewed other non-district, private schools in the community. She added that there had always been a group of parents who sent their kids to non-district schools, "this will always be the case, and this is okay."

District leaders did not view charter schools as a threat and the school board president said, "I can't say we've done anything to compete." A district administrator agreed that charter schools did not create a competitive environment, adding that this was a "curriculum-rich" district that had continued to grow. The only effect of charter schools on the district was that the district began to include parents into decisionmaking structures at the schools and in the central office. The board president and superintendent both said that they believed parents should be the driving force for change in the district. The superintendent felt that charter schools supported the district in their efforts to involve parents in school and district decisionmaking because parent involvement was also one of charter schools' focus areas. The board president said, "The old ways of communicating just don't cut it anymore" and looked to charter schools for new ways of involving parents.

Five districts in this Study viewed charter schools as part of district reform efforts. In contrast to districts that viewed charter schools as another choice option, these districts tended to improve their central office services and to create new schools, add new programs, and/or make structural changes. These superintendents encouraged schools in their district to convert to charter status if the associated increase in autonomy made a difference in the school's ability to

implement their school's reform plans. The following vignette describes one such district that viewed charter schools as a laboratory for innovation and has integrated charter schools and the charter concept into its systemic reform plans.

> *This growing, multiracial, large, suburban K-8 district viewed charter schools as an opportunity and incorporated them as central part of its systemic reform plans. Growing at the rate of three new schools a year, the district welcomed charter schools as a tool that district schools could use in their quest to improve student achievement, as pressure release valves for its population growth, and as additional educational choices for parents and students.*
>
> *The district granted all five charter schools that operated in the district. Four of these converted from regular district schools and one was newly created. The charter schools served nearly 3,000 students, almost all of whom would have attended regular district schools. These students represented 13.3 percent of the district's population. Despite this seemingly high percentage, district administrators did not report that charter schools had a negative impact on its budget. Three of the five charter schools were financially "dependent" on the district and, thus, had a similar relationship with the district as regular district schools. The other two were fiscally independent, however, both were required to contract with the district for some of their services. The district's continued enrollment growth helped offset any decreases in operating revenue.*
>
> *Unsatisfied with test scores below the state's average, the superintendent gave district schools the autonomy to make key programmatic and staff decisions to best serve the needs of their students and increase student achievement. She supported this decentralization of power by adopting a service approach at the district's central office, she encouraging central office staff to adopt more of a coaching role with schools rather than a traditional administrative role. The superintendent inspired district schools to be innovative and promoted charter status as a tool that schools could use if they needed more autonomy to implement organizational or programmatic changes. One school for example, converted to charter status in order to move to a 4-5-6 multiaged classroom, a change that school personnel believed could not have been implemented without the charter.*
>
> *The district also viewed charter schools as catalysts for change in the district office. Several charter schools, for example, exercised their autonomy to purchase the some services from private vendors. This prompted the district to reassess its service delivery and improve the quality of its library/media and maintenance services. Through yearly reviews with the school board and weekly principals meetings (that include charter school directors), district schools and charter schools share information. As a result of charter schools' experimentation, the district implemented diversity training for its staff and piloted the use of electronic report cards and new hiring practices.*

The district had always been a supporter of parents' ability to choose the public school where they wanted to send their children. Overcrowding in the district, however, limited the reality of school choice. Charter schools in the district helped relieve this strain of overcrowding which, once again, enabled choice options in both district and charter schools. One district school partnered with Edison (a private corporation that operates charter schools in several states) and became a charter school. Immediately, it expanded to serve more students. A newly created charter school with an academically rigorous educational program also opened in the district with space for several hundred students offering parents an additional choice.

C. Summary

These vignettes highlight the major differences in charter school impact on districts when charter granting, enrollment trend, size, and district orientation interact. The Study found evidence that charter schools serve as a choice option for families, create competitive education marketplaces, and prompt the creation of laboratory schools. As illustrated in the vignettes, the types of impacts that district leaders attributed to charter schools varied depending on whether district leaders viewed them as a challenge, or as an opportunity for choice, reform, or laboratories for innovation.

Section VII. Conclusion

This Report began with the two questions that drove the Study's work:

- *What changes have districts made in district operations and district education that they attribute to the presence of charter schools?*
- *Under what conditions do charter schools affect change in district operations and district education?*

The answer to the first question is straightforward—every district in our sample reported that charter schools affected their district in some way. For some districts, charter schools served as a wake-up call, clearly communicating to district staff that other educational options exist and that the district must do a better job of meeting the needs of students and parents. For other districts, charter schools were one of several forces at work as part of a district vision to improve the public education system. For yet another group of districts, charter schools represented additional choices for parents and students. The answer to the second question is more complex—the remainder of this section addresses the conditions under which charter schools impact district operations and education.

A. Influence of Local Conditions

While the research reported here is exploratory, the Study found patterns that suggest that local conditions influence how districts leader perceive charter schools. Whether or not the district is the charter granting entity, district enrollment trends, and district size influence the district's orientation toward charter schools, and in turn, influence whether districts come to view charter schools as a challenge or an opportunity. Districts in which charter schools were granted by entities other than the district most often felt challenged by charter schools operating within their boundaries. Every district in our study with declining enrollment viewed charter schools as a challenge and most of these districts felt they had to make budget cuts as a result of charter schools—some downsized district offices and others laid off teachers. The districts that had declining enrollment *and did not grant charters* also introduced educational programs, began marketing campaigns, and expanded customer service—changes that were specifically designed to compete with charter schools for students.

B. Charter Schools as Challenge or Opportunity

The threat posed by charter schools was not the only force motivating district change. Some districts that viewed charter schools as an opportunity—most often districts that were the only charter granting entity and had increasing enrollment—also made changes in district operations and in educational services. While most such districts simply viewed charter schools as an opportunity to offer an added choice option for at-risk or dissatisfied students and made few changes, a handful of districts in our study saw charter schools as a vehicle for advancing reform. In these districts, administrators used charter schools in conjunction with other forces to re-

evaluate and change both the way the district operated and the educational options it provided. Some districts used charter schools as educational laboratories or used the charter concept as a lever to promote systemic district reform.

It is not clear whether or to what degree each of these changes is an improvement in education, as measured by increased student achievement in the district, but it is clear that change is happening to varying degrees in every district in the Study. Further research might investigate whether changes associated with district orientation toward charter schools leads to differential changes in student achievement. When districts view charter schools as a challenge and respond competitively with changes in district operations and district educational services, do students benefit academically? Or do students show greater improvement when districts view charter schools as an opportunity and incorporate charter schools in their reform plans? Further research might also explore whether the types of impacts that districts report and districts' view of charter schools will change over time as charter schools become more established.

C. Role of State Legislation and Political Context

Yet, the patterns of district response are very suggestive. Although this report focused on the local level, each state's approach to charter schools set the stage for district responses. Charter laws create an opportunity for local people to pursue charter schools. Districts respond both to the specifics of the charter schools and the broader state context that establishes the rules under which charter schools can be formed. In Arizona and Michigan, charter advocates have argued that competition represents the ideal vehicle for reforming public education and to implement that view, their laws establish multiple charter granting bodies and allow for the operation of many charter schools. Most Arizona and Michigan districts in our sample housed charter schools that were granted by other entities—only 3 districts of the 21 Arizona and Michigan districts in our sample chose to grant charter schools. Based on the previous discussion, one would expect such non-charter granting districts to respond competitively, and they did. Most districts in Arizona and Michigan that were not the charter granting entity viewed charter schools as a challenge and made educational and operational changes as a result of the competitive pressure of charter schools.

In contrast, most districts in California and Colorado, where charter advocates promoted charters as a means of increasing educational choice as well as to introduce some "healthy competition," charter laws limit charter granting to districts. As one would predict of charter granting districts, in both states, most districts reported that charter schools were an opportunity—albeit to different degrees. Districts that viewed charter schools as a choice for parents or as part of a larger reform effort often said that charter schools were places from which the district and district schools could learn, and most of those districts made changes in their educational options and in areas of district operations. Other districts supported charter schools as a choice option, but leaders also said that charter schools promoted "healthy competition" in district schools—a strategy they applauded. In their view, charters represented a mechanism that

would encourage district schools to continuously re-evaluate their educational options and relationships with parents in order to meet students' and parents' needs.

Massachusetts offers a less straightforward pattern. In this state, charter advocates argued that charter schools would promote the transfer of innovation. While the law does not allow districts to grant charters to newly created charter schools, it minimizes the negative fiscal effects by limiting the number of charter schools to a small number (50 statewide) and initially reimburses districts for loss of revenue due to student movement to charter schools. In Massachusetts, half of the districts viewed charter schools as challenge and the other viewed charter schools as an opportunity. Challenge here was a matter of degree—no challenged Massachusetts district characterized any impacts of charter schools on facilities or staffing as negative, and the negative impact on budgets were more of a projection into the future than a current issue.

While these patterns arise from experience with a limited number of districts, they indicate the state's charter laws and political context affect how charter schools impact district change. State laws seem to influence district perceptions and set a tone for the way the charter concept might be received. This finding alone has great implications for policymakers who craft charter laws with the intent to affect the public education system. The Study has shown ways that charter granting entities might create charter schools as a competitive force, or create an opportunity for added choice or district reform. As in Massachusetts, charter laws that build in fiscal relief for districts can also influence how districts come to view charter schools. In the end, local conditions (such as district size and enrollment trends) reinforce charter schools as a threat or competitive pressure, or make it easier for districts to view charter schools as a choice for parents or to embrace charter schools as part of their own reform plans. State contextual differences influence the type of impact policymakers intend to result from charter schools. These findings suggest that different legislative provisions influence the impact of charter schools on education in the district. If, for example, policymakers want to encourage districts to learn from charter schools, to embrace charter schools as a tool for reform, they might consider adopting policies that provide relief for small districts and districts in declining enrollment situations when charter schools are created. If, on the other hand, policymakers want to apply competitive pressure to districts, they might consider allowing multiple entities to grant charters.

Our research focused on a single aspect of state charter law as it translates into local practice—charter-granting entity. Other research might choose other aspects of state law and study the impact on local practices. For example, the type of charter school(s) in the district, the level of charter school autonomy, and staffing requirements are a few areas where state laws affect district orientation and district changes. A larger sample of states, and a larger sample of districts, might reflect different state patterns resulting from other aspects of state law.

In the end, whether viewed a challenge or an opportunity, regardless of state, the Study found that districts are changing as a result of charter schools. Indeed, this report provides some evidence to substantiate the claims of charter advocates that charter schools may be producing ripple effects beyond the schoolhouse doors. However, the rapidly increasing number of charter schools and the propensity of districts to respond by making operational and educational change suggests that the ripple effect of charter schools will continue to increase—perhaps eventually inducing broader, long lasting systemic change.

APPENDIX

Selected Survey Responses

DISTRICT IMPACT STUDY
Coded District Leader Interview Protocol

1. In what type of area is the district located?
   a. Urban (15) 30.6
   b. Suburban (16) 32.7
   c. Small City (9) 18.4
   d. Rural (9) 18.4
2. What is the district's current student enrollment (98/99)?
   a. Small (1-4999 students) (15) 30.6
   b. Medium (5,000-19,999 students) (18) 36.7
   c. Large (20,000-more students) (16) 32.7
3. How do the district's average test scores compare to the state's average (most recent year available 199)?
   a. Above (18) 36.7
   b. Within 5% (12) 24.5
   c. Below (19) 38.8
5. How many charter schools are in the district? (Total in all districts)

Newly created	223
Conversion public or private	51
Total charter schools in all districts	274

Impacts of Charter Schools: Students and Enrollment

6. Has the *eligible* school age population in the district's attendance area increased, decreased or remained stable over the past 5 years (regardless of whether the students attend district schools or not)?
   a. decreased (7) 14.3
   b. No change (4) 8.2
   c. increased (38) 77.6

   Has the district's enrollment in non-charter district schools increased, decreased, or remained stable over the past 5 years?
   a. decreased (9) 18.4
   b. no change (6) 12.2
   c. increased (34) 69.4

7. Does the district track the number of students who choose charter schools from district schools? (34) 69.4

8. Does the district conduct exit interviews or surveys of students who choose to attend charter schools? (15) 30.6

9. Does the district track the numbers of students who return to district schools from charter schools? (26) 53.1

10. Is the impact on the district budget from students attending charter schools rather than district schools positive, negative or is there no budgetary impact?

    a. positive (4) 8.2

    b. negative (22) 44.9

    c. no impact (23) 46.9

(For questions #11 - 40, percentages reflect district leaders who answered "yes" and attributed that impact to charter schools)

Impact on Central Office Personnel and Services

11. Have administrators from the central office left for charters? (5) 10.2

12. Has there been an increase in central administrators' workload because of charter schools? (32) 65.3

13. Have you hired additional personnel at central office to deal with charter schools? (4) 8.2

14. Does the district contract services to charter schools? (27) 55.1

15. Have you downsized the central office? (5) 10.2

16. Have there been changes in delivery of central office services to other schools in the district? (13) 26.5

17. Has the district started busing service to schools that did not have that service before? (3) 6.1

Impact on School Staff

18. Have teachers or principals left the district schools for charters? (27) 55.1

19. Have there been changes in staffing patterns within or across schools (e.g., teachers taking on different roles, teaching configuration changes)? (8) 16.3
    Have teachers lost their jobs? (8) 16.3

19. Have there been changes in the hiring practices (e.g., certification requirements, involvement in hiring decisions, timeline for hiring, where/how staff are recruited, etc.... specify)? (3) 6.1

Impact on Facilities

20. Has the district closed any schools? (2) 4.2
21. Are schools operating under capacity? (10) 20.8
22. Has the district decreased class sizes? (3) 6.1
23. Has the district increased class sizes? (4) 8.1
24. Are charter schools helping to relieve district population growth? (17) 34.7

Impact on School Accountability and Autonomy

25. Has the district implemented a new or different system of accountability for its schools in the past few years? (6) 12.2
26. Does the district hold its schools more accountable for student performance now than it did several years ago? (7) 14.2
27. Has the district increased its attention to student achievement results in the past few years? (17) 34.7
28. Does the district analyze and compare district and charter school outcomes? (35) 71.4
29. Has the district implemented or increased school based decisionmaking?(6) 12.2

Impact on Public Relations and Parent Involvement

30. Has the district created a position or hired additional staff whose responsibility is public relations? (10) 20.4
31. Has the district increased advertising of educational programs? (20) 40.8
32. Has the district become more customer service oriented? (22) 44.9
33. Has the district or have district schools changed methods or frequency of communication with parents? (19) 38.8
34. Has the district or have district schools begun or increased surveying of parents about their satisfaction? (8) 16.4
35. Has the district or have district schools implemented programs to increase parental involvement in schools? (10) 20.4

Impact on Educational Programs and Structures and School Choice

36. Has the district added any district choice options in the past few years? (e.g., new specialty schools)? (10) 20.4
37. Has the district added any programs within existing schools in the past few years (e.g., gifted and talented, arts focus, early childhood program, full-day kindergarten etc.)? . (24) 49.0
38. Has the district changed or implemented a particular school structure or organization in any of its schools in the past few years (multiaged classes, house structure, etc.)? (9) 18.4

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